

# INFORMATION LETTER

Not for  
Publication

NATIONAL CANNERS ASSOCIATION

For Members  
Only

No. 873

Washington, D. C.

March 7, 1942

## AMENDMENTS TO TIN LIMITATION ORDER

### Relief Granted for Cans in Stock or Partly Made, and Acreage Already Planted February 11

The War Production Board has amended Tin Conservation Order M-81 so as to permit can manufacturers to deliver this year cans of any size for primary or secondary products which were completely manufactured, or whose parts were completely cut on February 11. Primary products cans are those listed in Table I of the order; secondary products cans are those listed in Table II.

By the amendment canners are permitted to buy and use such cans, and also cans of sizes other than those specified in the order which were in their possession on February 11. All cans delivered to or used by canners under this amendment are subject to the quota provisions of Order M-81.

Text of the telegram amending the order and which was sent to can manufacturers by WPB on March 4 is as follows:

The restrictions pertaining to sizes of cans, imposed by Tables I and II of Order M-81, are hereby suspended until December 31, 1942, or until otherwise ordered, only for the following purposes: First, to permit any can manufacturer to assemble, sell, and deliver cans, made in whole or in part of tinplate, of sizes other than those sizes specified in Tables I and II, which cans, or all the component parts thereof, were completely manufactured on or before February 11, 1942, provided, however, that this permission shall not be construed to permit any cutting, utilization, or placing in manufacture of any unprocessed tinplate; and Second, to permit any canner to buy, accept delivery of, and use cans which may be delivered pursuant to this permission, and cans of sizes other than those specified by Tables I and II, which cans, made in whole or in part of tinplate, were completely manufactured and in the possession of the canner on or before February 11, 1942. All cans which may be delivered to or used by canners, pursuant to this permission, shall be subject to the quota provisions imposed by Order M-81, and shall be charged to such quotas.

### Canning Industry Committee Meets March 19

The Office of Price Administration has called a meeting of the Fish, Fruit, and Vegetable Canning Defense Industry Advisory Committee for March 19 at Chicago, Ill., to discuss the operation of the recently issued Temporary Maximum Price Regulation Number 6.

It also was stated by OPA that there would be a discussion of the important 1942 packs for which the canning industry is now planning. The belief was expressed that this meeting could develop helpful suggestions toward possible formulation of a price control policy for the 1942 packs which would encourage the full production so vital for the satisfaction of civilian and government requirements.

Restrictions were eased on can needs for products that already had been planted at the time of the issuance on February 11 of the tin limitation order. J. S. Knowlson, in a telegram to the Association on March 5, advised that the quantity limitations imposed by certain paragraphs in the order had been suspended until May 31, 1942, to take care of such situations. Text of the telegram is as follows:

The quantity limitations imposed by Paragraph C-3 and Table II of Order M-81 are hereby suspended until May 31, 1942, or until otherwise ordered, only for the following purposes: First, to permit any can manufacturer to manufacture, sell, and deliver cans, made in whole or in part of tinplate, for use pursuant to this permission; and second, to permit any canner to buy, accept delivery of, and use the minimum number of cans, made in whole or in part of tinplate, necessary for packing vegetables listed on Table II of Order M-81, provided that such vegetables were already planted on or before February 11, 1942, and on that date the canner had already contracted for their purchase for canning, or was then growing such vegetables with the intention of packing them in cans. To the extent that cans are packed pursuant to this permission by a canner in excess of his quota or by a canner who has no applicable quota under Order M-81, such cans shall be retained by the canner until disposition thereof is ordered by the director of Industry Operations. On or before the 10th day of June, 1942, all canners shall make certified reports to the War Production Board, Food Branch, Reference M-81, of the number and size of cans packed pursuant to this permission.

## CANNED FOOD PRICE REGULATIONS

### Temporary "Freeze Order" on 1941 Pack Affects 11 Fruits and 15 Vegetables

On February 28, 1942, Administrator Leon Henderson of the Office of Price Administration issued Temporary Maximum Price Regulation No. 6 establishing maximum sales prices for 11 canned fruits and 15 canned vegetables. This is a so-called temporary "freeze order" designed to freeze prices on the remainder of the 1941 pack of the specified products. It will be recalled that, at the January convention, Dr. Harold B. Rowe, assistant director of OPA's Price Division, announced that the price agency was watching prices on the remainder of the 1941 pack and that if prices on this pack went above levels believed warranted, the OPA would impose ceilings. This was reported on page 6840 of the February 7 INFORMATION LETTER. In announcing the temporary maximum price regulation, Mr. Henderson stated that:

Average price of canned fruits and vegetables at the canners' level has increased about 20 per cent since August, 1941. Retail prices have increased approximately 10 per cent in the same period. Price advances at the canners' level are considered by OPA a fair criterion of the inflationary trend that has developed. In general, August canning prices mirrored the canners' actual costs, plus a normal profit.

since by that time a large proportion of his costs for materials and labor had been incurred. Furthermore, the canner now has relatively small stocks of the 1941 pack still on hand.

The full text of this first price control order directed specifically at canned foods is reproduced below. Many of its provisions are clear and can be readily understood and applied by canners. Others possibly require clarification and in subsequent amendments or future orders these provisions will be made more definite. For the convenience of canners, there follows a summary of the provisions which can readily be applied and thereafter a discussion of a number of requirements which, in application, may prove difficult. For brevity, the provisions of the order will be referred to by section number and alphabetical designation.

#### Distinction Between Agricultural Commodities and Products

Of great interest to the canning industry is the implicit recognition in this order of the distinction between agricultural commodities including canning crops and the products thereof including canned foods. It will be recalled that in the Congressional consideration of the price control bill, there was some doubt as to the precise application of the limitations on the power of the Price Administrator to deal with agricultural commodities in fixing maximum prices for agricultural products. This problem was fully discussed in the analysis of the bill, published in the INFORMATION LETTER of December 6, 1941. As finally enacted, the law provides in Section 3(e) that:

"Notwithstanding any other provision of this or any other law, no action shall be taken under this act by the [Price] Administrator or any other person with respect to any agricultural commodity without the prior approval of the Secretary of Agriculture."

It is interesting to observe that the regulation of February 28, 1942, does not recite such prior approval and presumably indicates that with respect to canned foods it is believed the law does not require such prior approval of a price schedule. In this same connection, it should be noted that the order does recite, as required by Section 3(c), that the prices established will not prevent the growers from obtaining the parity or comparable prices which the law recognizes. The press release accompanying the regulation supplements this recital by pointing out that canning crops for the 1941 pack of fruits and vegetables already have been sold by growers and that growers will not in any way be affected by this temporary order.

#### Scope of the Regulation

By its terms, Temporary Maximum Price Regulation No. 6 applies only to sales by canners or wholesalers and not to sales at retail. A retail sale means a sale to the ultimate consumer and specifically excludes sales to other packers or between wholesalers or to a commercial user such as a repacker. It is understood that the regulation is intended to apply and will be applied to sales to the armed services and the Government.

On each of the canned fruits and vegetables covered (these are listed below), the regulation prohibits the canner or wholesaler from selling, offering to sell, soliciting orders, or contracting to sell or deliver at a price higher than the maximum price specified. (Sec. 1341.1) The order is effective from March 2, 1942 to April 30, 1942. Except where goods already had been delivered to a carrier prior to March 2, 1942, this order cuts across and supersedes all existing contracts calling for the sale or delivery of these canned foods in the period between March 2, 1942, and April 30, 1942. Section 1341.1(a) states that the maximum price provided

shall apply "regardless of any contract, agreement or other obligation," and this is the exact language of Section 4(a) of the law.

It may be that this regulation will be applied only to 1941 packs, even though the order itself does not in so many words limit its application. In the first place, the accompanying press release stated that:

"For most commodities covered in the regulation, the 1942 crop will not be ready for marketing until the July-September period. OPA indicated that it is studying canning industry costs now. If prices are set for 1942 crop fruits and vegetables that factor will be taken into account, including the prices canners pay to growers."

This statement parallels closely the somewhat fuller discussion of this point by Dr. Rowe in his convention address. Even apart from this press release, it can be argued that the order is inapplicable to possible future sales of 1942 packs. As will be seen below, the maximum price is based upon sales of the same or comparable products made in the 5-day period from February 23 to February 27. Presumably these are intended to be spot sales, since any sale calling for delivery beyond 60 days is excluded. (Sec. 1341.1(b)(1)). Except in the case of certain early-maturing crops, a canner or wholesaler ordinarily would not have sold spot goods of the 1942 pack during this period. Since the required comparison cannot thus be made with 1942 packed foods, it seems likely that the order will be interpreted to exclude future sales of 1942 packs. Moreover, since the present regulation is issued under Section 2(a) of the Act which permits a "temporary freezing" of prices at current levels without prior study or consideration, it seems likely that the intention is to apply such orders only to identical commodities, produced within the same season and under the same cost conditions, and not to future commodities produced under different circumstances and costs and at different times. Nevertheless, attention must be called to the fact that the regulation on its face and by its terms applies to any contract to sell these canned foods, irrespective of when packed. Moreover, the present regulation is only temporary and when and if superseded by a permanent maximum price regulation the latter will undoubtedly reflect 1942 pack conditions. It is anticipated that a definite ruling on this point will be made at some early date. In the meantime any sale of futures of the 1942 pack up to April 30 may be deemed subject to this freezing order.

The Act specifically states that it shall apply to the "United States, its territories and possessions, and the District of Columbia" (Section 1(c)). Presumably, the temporary price regulation will have the same scope, and be applicable to all sales, not only in territorial United States, but also in Alaska, Hawaii, and other territories and possessions. Whether or not the price regulation applies to sales within the United States for export is not clear, but presumably it does.

#### Determination of Controlling Maximum Price

The basic theory of this temporary regulation is that in the affected 60-day period, neither the canner nor the wholesaler shall sell, contract to sell, or solicit any sale of the affected canned foods at a price higher than he sold the same grade, brand and can size during the period from February 23 to February 27. Where the canner or wholesaler in fact made sales on the market in this 5-day period of precisely the same kind of goods—the same variety, grade, brand and can size—the application of the regulation is not difficult. It prohibits any sale at a higher price than that received for such goods when sold "in a similar amount to a similar purchaser in the locality of the delivery point" during the 5-day base period. Sec. 1341.10(a)(4) defines the quoted language. "Similar" means "similar amount to a similar purchaser"

and apparently permits distinctions to be made on the basis of customary quantity discounts afforded to customers or on the basis of functional discounts such as those between retailers and wholesalers. The definition of "locality of the delivery point," however, is not as clear. Where the canner makes his sales on a uniform f. o. b. factory price, the order may be interpreted to mean that the maximum price may be computed f. o. b. factory irrespective of possible differences in freight to the respective customer's place of business. Where sales are made on a delivered or freight prepaid basis, the maximum price probably will have to be based upon the delivered prices at which sales actually were made to the same points.

Where the canner or wholesaler did not sell any of the identical goods in the base period February 23 to February 27, the regulation provides for other ways of determining the maximum price. The first of these applies where, during the base period, he sold the particular canned fruit or vegetable on the market, but the sale was of a different grade, under a different brand, or in a different can size or to a different type of purchaser (i. e., wholesaler or retailer) or in a different quantity, or f. o. b. a different place. In this situation, the maximum price is determined by taking the actual sale made during the base period and making adjustments in price. It is not clear whether, by the expression "such kind of canned fruits or vegetables," the regulation means to distinguish between different styles of pack (i. e., whole kernel vs. cream style corn), but it is probable that the degree to which this type of price adjustment between the prices of different styles of pack of the same canned food may be made will be dependent upon the particular canned food and upon the existence of any established price differentials. In general, the permitted adjustments where the identical product was not sold during the base period will be governed by the existence of established price differentials among the different grades, can sizes, types of purchaser, and, where delivered price is used, by freight rates. A canner will probably be deemed to have made a reasonable and good-faith effort at compliance with the order if he charges a price which, after all usual price differentials are applied, is not higher than the price of the same kind of fruit or vegetable sold during the base 5-day period.

Where, however, the canner did not, during the base period February 23 to February 27, 1942, sell any of the canned fruits or vegetables, in any grade, size or variety which he desires to sell between March 2, 1942 and April 30, 1942, a fairly complex provisions, Sec. 1341.1(b)(3), becomes applicable. This section is separately analyzed below.

#### Price Adjustments Because of Differences in Cost

The regulation contains a provision permitting further adjustments in price in the case of increased or decreased inventory replacement costs. (Sec. 1341.2.) This provision will be of little or no application to sales by canners except where goods purchased from another packer are resold. Presumably, the only adjustments which this section recognizes are those due to differences in "purchase cost" and not to differences in production costs. In general, this fairly complicated provision requires that goods first purchased shall be considered as having been sold first, and if the inventory cost of the goods actually sold is different from the inventory cost of the goods sold during the 5-day base period, necessary adjustments may be made.

#### Conditional Agreements Prohibited

The regulation likewise prohibits any seller from agreeing with any purchaser that the price at which the goods are sold between March 2 and April 30, 1942, shall be adjusted by a rebate or by an additional payment in the event that the regulation is amended or declared invalid "or upon any other

contingency." (Sec. 1341.3.) If the order is determined to be applicable only to the sale of 1941 packs, this provision is possibly of little practical importance. If the order is deemed to be applicable to 1942 packs, this section becomes extremely important, since it would apparently prohibit the inclusion in a futures contract of the usual provisions providing for price adjustments in the event of any increase in any Federal or State excise taxes applicable to the goods sold.

#### Procedural Review

It should be observed that this price regulation relating to canned foods is a "temporary" price regulation and not a formal, permanent maximum price regulation. This distinction is of importance in considering the extent to which the price regulation may be reviewed.

Section 2(a) of the Act contains two separate authorizations for the issuance of price regulations. The first of these, relating to permanent and formal price regulations, contains a number of restrictions on the Administrator's authority. Such formal price regulation may be issued only when the Administrator believes that prices have risen or threaten to rise to an extent or in a manner inconsistent with the purposes of the Act. The prices specified in such a formal regulation must be such as will be "generally fair and equitable, and will effectuate the purposes of the Act". In establishing such prices the Administrator must ascertain and give due consideration to prices prevailing between October 1 and October 15, 1941, and must make such adjustments for relevant factors as he deems desirable. A formal price regulation must also be accompanied by a statement of the considerations involved in its issuance, and before issuing it the Administrator must, "so far as practicable", advise and consult with representative members of the industry.

Section 2(a) goes on to provide, however, that whenever in his judgment such action is necessary or proper in order to effectuate the purposes of the Act, the Administrator

*"may, without regard to the foregoing provisions of this subsection, issue Temporary Regulations or Orders establishing as a maximum price or maximum prices, the price or prices prevailing with respect to any commodity or commodities within five days prior to the date of issuance of such Temporary Regulations or Orders; but any such Temporary Regulation or Order shall be effective for not more than 60 days."*

It was under this latter provision that Price Regulation No. 6 for canned foods was issued. It will be observed that temporary regulations of this type are in effect general "freezing" orders, issued without any prior formalities or hearings, and which are applicable only for a limited period of time.

These differences in the circumstances under which temporary price regulations may be issued probably limit seriously the extent to which they may be reviewed. Such temporary price regulations are subject to review under Section 203(a) of the Act, in the same fashion as a formal permanent regulation. This means that any affected party may, within 60 days after the issuance, file a protest with the Administrator. If the protest is denied, the aggrieved party may within 30 days thereafter file a complaint with the Emergency Court of Appeals (see Section 204(a)). While the procedure is thus the same for both permanent and temporary regulations, it would be much more difficult to show the arbitrary or unreasonable nature of a temporary regulation. As to a formal regulation, it would be possible to show that the Administrator has not considered October 1-October 15, 1941, prices, that he has not consulted with the industry, that the prices which he has established are not "generally fair and equitable", etc. None of these limita-



tions upon the Administrator's authority apply to temporary regulations, and the issuance of these temporary regulations is very much a matter of discretion on the part of the Administrator.

#### Penalties for Violations

The penalties imposed by the Act apply to temporary price regulations to the same extent that they do to formal permanent regulations. See Section 4(a), which makes it unlawful to violate "any Regulation or Order under Section 2." Consequently, any person violating this temporary maximum price regulation may be subject to all of the penalties imposed by Section 205.

This section of the law not only permits the Administrator to obtain injunctive relief against violation of any regulation, but it also provides a fine of not more than \$5,000 or imprisonment for not more than one year, or both, for any willful violation of any regulation. In this connection, it should be noted also that the penal provisions apply to any false statement or entry in any document or report required by the regulation and that Section 1341.7 requires that all persons who make sales on and after March 2 keep certain specified records for a period of not less than one year. Consequently, the penal provisions apply to any willful, false entry in such records. Finally, Section 205(a) provides that any person who sells a commodity at a price higher than the maximum specified in a price regulation may be subjected to civil liabilities in suits brought by the buyer or by the Administrator. The amount of this civil liability is three times the excess of the price charged over the maximum price permitted, with a minimum liability of \$50. This liability does not take effect, however, until the expiration of six months from the date of the enactment of the Act. It consequently will not be effective until July 30, and will have no application to violation of the present temporary regulation of canned food prices.

#### Computation of Maximum Price Where No Sales Have Been Made

If during the base 5-day period a canner made no sales whatever of the particular kind (i.e., peas, corn, tomatoes) of canned food, and desires to sell such canned food between March 2 and April 30, the determination of the applicable maximum price is somewhat complicated. Section 1341.1 (b)(3) provides that in such case the maximum price applicable

"shall be the highest market price in the locality of the delivery point [during the 5-day base period] for the same kind of canned fruits and vegetables of the same brand, grade and container size sold to a similar purchaser in a similar amount and in case of differences in any of the above respects, making adjustments in accordance with the customary price differentials."

The first difficulty in applying this rule is that the canner is required to ascertain the price at which his competitor's goods were sold during the base period in the prospective customer's market. The degree of proof required is uncertain. Next, he must determine what are the customary price differentials, if any, between his brand or style of pack and his competitors. He also must take into account the possible quantity discounts offered by his competitors in the sales actually made by them and those which he may or may not afford to his customers. Next, if he finds that no sales of the particular canned food were made by his competitors in the particular market, he must select some other place as a basis. In doing so, the regulation directs (Sec. 1341.10(a)(3)) that he select some market in which he ordinarily does business, determine the price at which the particular

canned food was sold in that market in the base period, and adjust this price on the basis of freights and other prevailing differentials to the market in which he desires to sell.

Where, however, the canner is selling on a delivered price basis, he will undoubtedly have to use as a basis such prices as prevail in the particular market to which the delivery is to be made.

The text of the price order follows:

#### TITLE 32—NATIONAL DEFENSE

#### CHAPTER XI—OFFICE OF PRICE ADMINISTRATION; PART 1341—CANNED AND PRESERVED FOODS

#### Temporary Maximum Price Regulation Number 6

##### Canned Fruits and Vegetables

In the judgment of the Price Administrator, it is necessary and proper, in order to effectuate the purposes of the Emergency Price Control Act of 1942, to establish temporarily as the maximum prices for canned fruits and vegetables the prices prevailing with respect thereto within five days prior to the date of issuance of this Regulation.

The maximum prices established herein are not below prices which will reflect to producers of the agricultural commodities from which canned fruits and vegetables are manufactured, a price for their products equal to the highest of any of the following prices therefor determined and published by the Secretary of Agriculture: (1) 110 percentum of the parity price for such commodity, adjusted by the Secretary of Agriculture for grade, location, and seasonal differentials; (2) the market prices prevailing for such commodity on October 1, 1941; (3) the market prices prevailing for such commodity on December 15, 1941; or (4) the average prices for such commodity during the period July 1, 1919, to June 30, 1929.

Therefore, under the authority vested in the Price Administrator by the Emergency Price Control Act of 1942, and in accordance with Procedural Regulation No. 1\*, issued by the Office of Price Administration, Temporary Maximum Price Regulation No. 6 is hereby issued.

##### Section 1341.1 Maximum Prices for Canned Fruits and Vegetables

(a) From March 2, 1942 to April 30, 1942, inclusive, regardless of any contract, agreement, or other obligation, no person shall sell or deliver, or offer, solicit, attempt, or agree to sell or deliver any canned fruits and vegetables at a price higher than the maximum price therefor. The provisions of this Section shall not be applicable to sales or deliveries of canned fruits or vegetables to a purchaser if prior to March 2, 1942 such canned fruits or vegetables have been received by a carrier, other than a carrier owned or controlled by the seller, for shipment to such purchaser.

(b) (1) The maximum price for each kind, grade, brand, and container size of the following canned fruits and vegetables shall be the highest price at which the seller sold, contracted to be sold for delivery within 60 days, delivered, or transferred such kind of canned fruits and vegetables of the same grade, brand, container size, and in a similar amount to a similar purchaser in the locality of the delivery point during the period February 23, 1942 to February 27, 1942, inclusive:

\* 7 F. R. 971.



**Canned Fruits**

Apples, applesauce, apricots, cherries (red sour pitted), cherries (sweet), fruit cocktail, fruit salad, peaches, pears, pineapples, and plums.

**Canned Vegetables**

Asparagus, beans (all dry varieties), beans (lima), beans, snap (green and wax), beets, carrots, corn, peas, pumpkin, sauerkraut, spinach, sweet potatoes, tomatoes, tomato catsup, and tomato juice.

(b) (2) If the maximum price cannot be determined under paragraph (b) (1), the maximum price shall be the highest price at which the seller sold, contracted to be sold for delivery within 60 days, delivered or transferred such kind of canned fruits or vegetables during the period February 23, 1942 to February 27, 1942, inclusive, making a price adjustment for differences in grade, brand, container size, type of purchaser, and locality of delivery point, equivalent to the differences customarily charged by the seller during a period of 90 days preceding March 2, 1942.

(b) (3) If the maximum price cannot be determined under either paragraphs (b) (1) or (b) (2), the maximum price shall be the highest market price in the locality of the delivery point during the period February 23, 1942 to February 27, 1942, inclusive, for the same kind of canned fruits and vegetables of the same brand, grade, and container size sold to a similar purchaser in a similar amount and in case of differences in any of the above respects, making adjustments in accordance with the customary price differentials.<sup>b</sup>

**1341.2 Maximum Price Adjustments for Increased or Decreased Inventory Replacement Costs**

(a) If a person has sold all of the inventory the cost of which was the basis for the selling prices that became his maximum prices under paragraphs (b) (1), (b) (2), or (b) (3) of Section 1341.1 and there remains in his inventory canned fruits and vegetables purchased at a higher net purchase cost than such inventory cost, or if he purchases canned fruits or vegetables at such higher net purchase cost, he may add to the maximum prices determined under paragraphs (b) (1), (b) (2), or (b) (3) of Section 1341.1 the difference between such net purchase cost and such inventory cost: *Provided*, That in all cases the quality equivalent to the canned fruits and vegetables first purchased shall be sold first.

(b) If a person sells canned fruits and vegetables purchased at a lower net purchase cost than the cost which was the basis for the ceiling prices that became his maximum prices under paragraphs (b) (1), (b) (2), or (b) (3) of Section 1341.1, he shall subtract from the maximum prices determined under paragraphs (b) (1), (b) (2), or (b) (3) of Section 1341.1 the difference between such lower net purchase cost and the cost which was the basis for the selling prices that became his maximum prices.<sup>b</sup>

**Section 1341.3 Conditional Agreements**

No seller of canned fruits and vegetables shall enter into an agreement permitting the adjustment of the prices to prices which may be higher than the maximum prices provided by Section 1341.1, in the event that this Temporary Maximum Price Regulation No. 6 is amended or is determined by a court to be invalid or upon any other contingency: *Provided*, That if a petition for amendment has been duly filed, and such petition requires extensive consideration, and the Administrator determines that an exception would be in the public interest, pending such consideration, the Adminis-

trator may grant an exception from the provisions of this section permitting the making of contracts adjustable upon the granting of the petition for amendment. Requests for such an exception may be included in the aforesaid petition for amendment.<sup>b</sup>

**Section 1341.4 Exempt Sales**

The provision of this Temporary Maximum Price Regulation No. 6 shall not apply to sales at retail.<sup>b</sup>

**Section 1341.5 Less than Maximum Prices**

Lower prices than those set forth in Section 1341.1 may be charged, demanded, paid, or offered.<sup>b</sup>

**Section 1341.6 Evasion**

The price limitations set forth in this Temporary Maximum Price Regulation No. 6 shall not be evaded, whether by direct or indirect methods, in connection with an offer, solicitation, agreement, sale, delivery, purchase or receipt of or relating to canned fruits and vegetables, alone or in conjunction with any other commodity or by way of any commission, service, transportation, or other charge, or discount, premium, or other privilege, or by tying-agreement or other trade understanding, or otherwise.<sup>b</sup>

**Section 1341.7 Records and Reports**

(a) Every person, except persons who make sales at retail, making any sale of any kind, grade, brand, and container size of canned fruits or vegetables on and after March 2, 1942, in the course of trade or business or otherwise dealing therein, shall make and preserve for a period of not less than one year a complete and accurate record of the actual inventory and purchase cost of each kind, grade, brand, and container size of canned fruits and vegetables on hand as of February 23, 1942, and for each purchase of canned fruits and vegetables subsequent to March 2, 1942, showing the inventory on hand as of the date of the receipt of such canned fruits and vegetables, the date of the purchase, the quantity purchased, and the actual price paid therefor; and every person who makes sales as aforesaid, except persons who make sales at retail, on and after March 2, 1942, shall make and preserve for a period of not less than one year a complete and accurate record of the highest price at which he sold such kind, grade, brand, and container size of canned fruits and vegetables during the period February 23, 1942, to February 27, 1942, inclusive, showing the date thereof, the name and address of the buyer and seller, the price paid or received, the kind, grade, and container size, and the quantity purchased or sold.

(b) Persons affected by paragraph (a) of this Section shall submit such reports to the Office of Price Administration as it may from time to time require.<sup>b</sup>

**Section 1341.8 Enforcement**

(a) Persons violating any provision of this Maximum Price Regulation No. 6 are subject to the civil and criminal penalties provided for by the Emergency Price Control Act of 1942.

(b) Persons who have evidence of any violation of this Maximum Price Regulation No. 6 or any price schedule, regulation, or order issued by the Office of Price Administration or of any acts or practices which constitute such a violation are urged to communicate with the nearest field or regional office of the Office of Price Administration or its principal office in Washington, D. C.<sup>b</sup>

<sup>b</sup> Sections 1341.1 to 1341.12, inclusive, issued pursuant to Pub. No. 421, 77th Cong., 2d Sess.

*Section 1341.9 Petitions for Amendment*

Persons seeking any modification of this Temporary Maximum Price Regulation No. 6 or an adjustment or exception not provided for therein may file petitions for amendment in accordance with the provisions of Procedural Regulation No. 1, issued by the Office of Price Administration.<sup>b</sup>

*Section 1341.10 Definitions*

(a) When used in this Temporary Maximum Price Regulation No. 6, the term:

(1) "Person" means an individual, corporation, partnership, association, or other organized group of persons, or legal successor or representative of any of the foregoing, and includes the United States or any agency thereof, or any other Government, or any of its political subdivisions, or any agency of any of the foregoing;

(2) "Canned fruits and vegetables" means the fruits and vegetables processed and packed in hermetically sealed containers of metal or glass, set forth in paragraph (b) (1) of Section 1341.1;

(3) "Locality of the delivery point" means all points at which the same kind, grade, brand and container size of canned fruits and vegetables were or would have been delivered in a similar amount to a similar purchaser at the same price;

(4) "Similar", when in the phrase "similar amount to a similar purchaser", shall refer to the amount of the purchase and type of purchaser with respect to which the same price applied or would have applied during the period February 23, 1942, to February 27, 1942, inclusive;

(5) "Sales at retail" means sales to the ultimate consumer; *Provided*, That no canner, packer, purchaser for resale, or other commercial user shall be deemed to be an ultimate consumer.

(b) Unless the context otherwise requires, the definitions set forth in Section 302 of the Emergency Price Control Act of 1942 shall apply to other terms used herein.<sup>b</sup>

*Section 1341.11 Replacement of Regulation*

This Temporary Price Regulation No. 6 may be replaced by a permanent Maximum Price Regulation or Order issued under the Emergency Price Control Act of 1942.<sup>b</sup>

*Section 1341.12 Effective Period*

This Temporary Maximum Price Regulation No. 6 shall become effective on March 2, 1942, and shall, unless earlier revoked or replaced, expire at 12 o'clock midnight, April 30, 1942.

Issued this 28th day of February, 1942.

LEON HENDERSON,  
Administrator.

<sup>b</sup> Sections 1341.1 to 1341.12, inclusive, issued pursuant to Pub. No. 421, 77th Cong., 2d Sess.

**House Considers Agricultural Appropriations**

The House began consideration on March 4 of the Department of Agriculture appropriation measure for the fiscal year, 1943. The bill, as presented by the Appropriations Committee, would give the Department \$677,181,239, a decrease of \$450,442,615 in the amount appropriated for the current fiscal year. This decrease is brought about, in part, by the Committee's failure to recommend the further appropriation of \$125,150,000 for the disposal of surplus farm commodities, \$212,000,000 for parity payments, and \$49,388,671 for soil conservation and adjustment payments.

**Howard Tolley Made Head of New OPA Division**

Realignment of the executive personnel of the Office of Price Administration brings Howard Tolley, chief of the Bureau of Agricultural Economics, into OPA as head of a new Food and Apparel Division. Mr. Tolley will be one of five new assistant administrators created by the breaking down of the Price Division into separate divisions. The Food and Apparel Division will have authority over the following price sections: Food, textiles and apparel, leather footwear, fertilizer, and farm machinery. The other new divisions, with the assistant administrator in charge of each, are: Industrial Materials and Equipment—Donald Wallace; General Products—Herbert Taggart; Fuels—assistant administrator to be appointed; and Rent Division—Paul A. Porter.

Changes in the OPA set-up also will provide a new rationing division. Organization of this division is in charge of John E. Hamm, who as Senior Deputy Administrator, continues second in command to Leon Henderson. Harold Rowe, who will have executive responsibility for food rationing, is assisting in the organization of the rationing division.

**Indicated Acreage of Spinach for Processing**

The 1942 indicated production of spinach for processing in California and Texas is expected to total 55,270 tons, according to the Agricultural Marketing Service. This tonnage compares with 29,900 tons harvested in 1941 and 24,700 tons in 1940.

The 1942 indicated acreage of spinach for processing in California and Texas is 19,340 acres. The estimate of acreage harvested in 1941 for processing in these two States is 11,940 acres. An acreage increase is in prospect in 1942 for California, according to the report, but the Texas estimate remains at the same figure.

The indicated yield for 1942 for California and Texas (an average of 2.86 tons) compares with 2.50 tons in 1941 and 1.89 tons per acre for 1940. This estimate is based on a slight increase for California and a slight decrease for Texas, from last year's figures.

**Krimendahl to Receive M-81 Appeals**

Groups of canners entitled to file appeals under the provisions of Tin Conservation Order M-81 were requested March 4 to write the War Production Board Containers Branch for appointments before coming to Washington.

Requests for appointments should be addressed to H. F. Krimendahl, Room 3424, War Production Board, Social Security Building, Washington, D. C. Mr. Krimendahl recently was added to the staff of the Branch as a consultant to aid in administration of Order M-81.

It is necessary to arrange appointments in advance, the Branch said, so that there will be adequate time to schedule meetings with the proper departments or divisions.

**Canned Pineapple Pack of PPCA Members**

The total pack of canned pineapple (not including juice) of the companies who are members of Pineapple Producers Cooperative Association, Ltd., for the pack year ended May 31, 1941 was 11,056,491 cases of standard sizes.

**Shipping Case Order Clarified by WPB**

The Containers Branch of the War Production Board has pointed out that the November, 1941 changes in specifications for paperboard shipping containers were not intended to establish maximum thicknesses for the materials used in making such containers.

Modified regulations governing the shipping of freight in corrugated and solid fibre board containers were announced on November 3, 1941. These were published in the November 8 INFORMATION LETTER. These specifications, permitting the use of thinner paperboard parts, were expected to save approximately 10 per cent of normal paperboard consumption.

Since that time the Containers Branch has been advised that some shippers believe that the new specifications were meant to be maximum rather than minimum requirements.

This is not true, the Branch states. While the change in the specifications—Supplement 17 to Consolidated Freight Specifications Number 14—reduced the minimum requirements, it was not intended to affect packing of articles requiring a stronger box. The revised specifications must be exceeded in some cases, it was pointed out, in order to transport certain commodities safely.

The Branch emphasized that it does not advocate the use of inadequate shipping containers. If shippers were to adopt the minimum specifications, which became effective November 15, 1941, as maximum specifications, there might be greater losses in goods and materials than could possibly be equalized by savings effectuated by modified specifications.

Heavier loads of cars and rougher handling, not only by the railroads, but all along the line of production, necessitate the continued use of discretion on the part of shippers, it was stated.

**Rail and Water Freights Increased 6 Per Cent**

Freight rates on canned foods for both rail and water hauls will be increased by six per cent under the decision March 2 by the Interstate Commerce Commission to allow the carriers increased rates, fares and charges for 1942. The new rate increase becomes effective 10 days from March 2, and will continue in effect for the duration of the present war and for six months thereafter.

The rail and water lines had requested a general 10 per cent increase, excepting only anthracite and bituminous coal, coke and iron ore. Under the decision handed down by ICC a six per cent average increase was allowed and will apply to all commodities except certain basic items, such as live stock and the raw products of agriculture, as well as low grade mine products, such as sand, gravel and broken rock and slag, upon which the Commission allowed a three per cent increase.

In general, the three per cent increase granted raw products of agriculture applies to fresh fruits and vegetables and to live stock. However, cold pack fruits and cold pack vegetables, as well as fruit juices and fresh and dried mushrooms and mushroom spawn are excepted from the three per cent list. In the three per cent list of animals and products, canned meats and canned sausage are specifically excepted. Such specific exceptions fall within the six per cent classification.

**SUGAR-USE CERTIFICATION REQUIRED****Delivery Contingent on Use Within 45 Days;  
March 15 Conference Postponed**

The Administrator of the Sugar Section has advised that he is unable at this time to set an annual quota for sugar, but plans to announce the quota for April at an early date. Under the circumstances, the meeting tentatively scheduled for the week of March 15 to discuss the sugar order as it affects the canning industry, will not be held until the Administrator is able to furnish more definite information regarding the annual quota available for canned fruits and vegetables.

Sugar will be delivered to canners only upon certification that they will begin using it within 45 days of the date of delivery, according to an order received this week by refiners, importers and distributors. The order, issued by the Director of Industry Operations of the War Production Board, makes certain that sugar is not delivered to canners more than 45 days before they need it. It follows the request sent out last week by A. E. Bowman, chief of the WPB Sugar Section, asking canners not to accept sugar delivery more than 45 days before they begin canning. The new certification required is in addition to that now required by Order M-55, which is being formally amended accordingly.

Mr. Bowman, on March 5, sent telegrams to all trade associations representing industrial users of sugar, requesting them to warn their members that the sugar rationing plan will be hampered if excessive purchases by some small industrial users are not stopped.

Mr. Bowman pointed out that excessive sales of sugar by receivers to some customers violate the clause in the sugar order (M-55) which requires receivers to distribute their sugar equitably.

The telegram follows:

According to information received here, small industrial users of sugar not directly limited by Order M-55 have been purchasing excessive quantities in anticipation of rationing. This action, if not stopped, will seriously enhance difficulties of getting rationing plan into operation. Under present Order M-55 receiver would be warranted in restricting buyers from him to quota of 1941 purchases in same manner as he himself is restricted. Receiver who disables himself from serving some customers by excessive sales to others violate clause (c) (3) of the order. Assistance of your association in calling this fact to attention of trade, and in any other possible way discouraging excess purchasing known to you, would greatly assist government in present difficult period.

**Cosgrove Selected for Business Advisory Council**

Edward B. Cosgrove, president of the Minnesota Valley Canning Co., LeSueur, Minn., and a past-president of the National Canners Association, has been selected as one of the new 1942 members of the Business Advisory Council. The Council, organized in 1933, is designed to serve as an advisory body to the Secretary of Commerce in the consideration of a wide range of governmental and business relationships. Mr. Cosgrove, always active in Association affairs, is this year a member of the Administrative Council and of the Finance and Labeling Committees.



### Olney and Graefe Named Price Consultants

B. C. Olney of the Snider Packing Corp., Rochester, N. Y., and Walter L. Graefe of the Pomona Products Co., Griffin, Ga., have been appointed consultants in the Food and Apparel Division of the Office of Price Administration. This Division is under the direction of Howard Tolley, Assistant Administrator of the OPA. Their work will relate to packaged food products.

### RATIONING PROGRAM FOR NEW TRUCKS

#### Trailers and Truck Tractors Also Included in Allocation Commencing March 9

Rationing of new trucks, truck-tractors and trailers begins March 9 and will be administered jointly by the War Production Board and the Office of Defense Transportation, according to General Conservation Order M-100. The rationing program will permit gradual release of "frozen stocks" of these vehicles to government and essential civilian users and preliminary estimates indicate approximately 196,000 new trucks and truck-trailers will be made available for rationing during the next 22 months. Application forms, which will furnish data upon which WPB, in consultation with ODT, will be made available at all truck and trailer sales agencies.

Five "Usage Classifications" are established which designate the order in which trucks and trailers will be released for sale. The first two of these cover direct war activities, such as trucks for military forces in the field and at military and naval posts, as well as for civilian services essential to public health and safety (water supply, garbage disposal, fire fighting, etc.).

Class III covers vehicles used in connection with essential functions indirectly connected with the war effort such as:

"In the transportation of all materials, supplies and equipment of industry and business indirectly connected with the war effort, including farm and forest products, and food.

"For the transportation of ice, and fuel for heating and power to the ultimate consumer for personal, family or household use.

"For the rendering of essential roofing, plumbing, heating, electrical, building and vehicle repair services.

"For the collection of waste and scrap material other than services performed in connection with Class I.

"In the transportation of persons in business, industry, etc., indirectly connected with the war effort.

"In the service of public and private schools and educational institutions."

Classes IV and V cover vehicles used in connection with non-essential functions. In the press release accompanying the rationing order, WPB stated that with a limited supply of trucks and trailers no encouragement was offered to persons who could qualify under Classes IV and V. These two classes were established, it was stated, so that there would be a preference guide in the event that the available supply was not exhausted under Classes I, II, and III.

The order specifies that previously granted preference ratings will not enable the holder to obtain a truck or trailer. The only way to obtain a commercial vehicle will be to obtain a certificate under the rationing plan.

Purchase applications must be sent to one of the local allocation offices of ODT, which also serve as field offices of the Bureau of Motor Carriers of the Interstate Commerce Commission. (A list of these offices follows.) Upon approval by a local allocation officer, the application will be sent to ODT headquarters in Washington. If approved there, it will be forwarded to WPB for review and action. WPB approval, in the form of a certificate of transfer issued by the Director of Industry Operations, will enable the applicant to purchase the type of truck or trailer he desires from any dealer in the country who has such a vehicle in stock.

#### Local Allocation Offices

Alabama—1002 Martin Bldg., Birmingham.  
 Arizona—304 Security Bldg., Phoenix.  
 Arkansas—31 Court House Bldg., Fort Smith; 153 U. S. Post Office and Court House, Little Rock.  
 California—1519 U. S. Post Office and Court House, Los Angeles; 541 Monadnock Bldg., San Francisco.  
 Colorado—622 Midland Savings Bldg., Denver.  
 Connecticut—202 Essex Bldg., Hartford.  
 Delaware—Handled at Philadelphia, Pa., Office.  
 District of Columbia—Handled at Baltimore, Md.  
 Florida—225 Post Office Bldg., Jacksonville; 305 Tallahassee Administration Bldg., Tallahassee.  
 Georgia—809 Standard Bldg., Atlanta.  
 Idaho—619 Idaho Bldg., Boise.  
 Illinois—826 U. S. Court House, Chicago; 902 First National Bank Bldg., Springfield.  
 Indiana—257 U. S. Court House and Post Office, Indianapolis; 359 Federal Bldg., Fort Wayne.  
 Iowa—615 Kahl Bldg., Davenport; 221 Federal Office Bldg., Des Moines.  
 Kansas—309 Federal Bldg., Topeka; 502 Post Office Bldg., Wichita.  
 Kentucky—5 Post Office Bldg., Lexington; 645 Post Office Bldg., Louisville.  
 Louisiana—653 Federal Bldg., New Orleans; 430 Ricou-Brewster Bldg., Shreveport.  
 Maine—409 Clapp Memorial Bldg., Portland.  
 Maryland—401 Appraisers Store Bldg., Baltimore; 206-B Post Office Bldg., Salisbury.  
 Massachusetts—38 Chauncy Street, Boston; 420 Federal Bldg., Springfield.  
 Michigan—238 Federal Bldg., Detroit; 1608 Ohio Tower Bldg., Lansing.  
 Minnesota—107 Federal Office Bldg., Minneapolis.  
 Mississippi—811 Deposit Guaranty Bank Bldg., Jackson.  
 Missouri—912 Baltimore Avenue, Kansas City; 920 Boatmen's Bank Bldg., St. Louis.  
 Montana—413 Electric Bldg., Billings.  
 Nebraska—318 U. S. Post Office and Court House, Lincoln; 502 Woodmen of the World Bldg., Omaha.  
 Nevada—Handled at San Francisco, Calif., Office.  
 New Hampshire—6 Campbell Street, Lebanon.  
 New Jersey—410 Post Office Bldg., Trenton.  
 New Mexico—401 Sunshine Bldg., Albuquerque.  
 New York—417 Federal Bldg., Albany; 711 Kilmer Press Bldg., Binghamton; 1501 Genesee Bldg., Buffalo; Federal Bldg., 641 Washington Street, New York; 379 Federal Bldg., Syracuse.  
 North Carolina—240 Post Office Bldg., Charlotte; 307 Post Office Bldg., Raleigh.  
 North Dakota—404 First National Bank Bldg., Fargo.  
 Ohio—413 New Federal Bldg., Cincinnati; 519 Federal Bldg., Cleveland; 311 Old Post Office Bldg., Columbus; Third Floor, Old Federal Bldg., Toledo.  
 Oklahoma—336 Key Bldg., Oklahoma City; 516 Wright Bldg., Tulsa.  
 Oregon—323 Pittock Block, Portland.  
 Pennsylvania—Room 504, 600 N. Second Street, Harrisburg; 1101 Girard Bldg., Philadelphia; 1025 New Federal Bldg., Pittsburgh; 329 U. S. Post Office Bldg., Scranton.  
 Rhode Island—508 Palmer Bldg., Providence.  
 South Carolina—116 U. S. Court House, Columbia.  
 South Dakota—301 Post Office Bldg., Pierre.  
 Tennessee—207 Post Office Bldg., Memphis; 222 U. S. Court House, Nashville.  
 Texas—533 Federal Bldg., Dallas; 103 Federal Bldg., El Paso; 1109 Electric Bldg., Fort Worth; 614 New Federal Bldg., Houston; 205 U. S. Post Office Bldg., San Antonio.  
 Utah—420 Continental Bank Bldg., Salt Lake City.  
 Vermont—Handled at Lebanon, N. H., Office.  
 Virginia—608 Parcel Post Bldg., Richmond; 206 Liberty Trust Bldg., Roanoke.  
 Washington—714½ U. S. Court House, Seattle; 206 Post Office Bldg., Spokane.  
 West Virginia—417 Peoples Bank Bldg., Charleston; 740 National Exchange Bank Bldg., Wheeling.  
 Wisconsin—504 Cantwell Bldg., Madison; 828 N. Broadway, Milwaukee.  
 Wyoming—Handled at Denver, Colo., Office.

### WPB Working on Glass Container Program

Officials of the War Production Board have announced they are working out a program for increased glass container production that will give the nation a larger preserving capacity without using more material. One expected change will be to larger containers, it is stated. Net weight requirements, it is expected, will force some container manufacturers to abandon fancy bottle and jar designs in favor of plain, simple cylinders that use less glass. Both jars and bottles will be modified in design wherever practicable so as to enable the moulding machines to cast the containers in runs of a week or more, thus cutting mould-changing time. It is also planned to make glass container openings smaller whenever possible, so as to reduce the amount of metal needed for closures.

### TIRE CONFISCATION A POSSIBILITY

#### Senate Committee Hears There is Little Hope of Tires for Private Automobiles

"Attempting to develop public understanding and recognition of the hard cold facts," OPA Administrator Leon Henderson, in charge of rubber rationing, testified March 5 before a Senate national defense investigating committee that it may be necessary in 1943 and 1944 to confiscate tires on private vehicles and ration gasoline to prolong their life. There is little hope, Mr. Henderson said, that the ordinary passenger car operator will be able to get new or recapped tires this year or in 1943 or 1944.

Figures presented to the committee on the supply and demand for rubber for 1942, 1943, and 1944—taking into consideration the 25 per cent reduction in military, Lend-lease, and civilian demand that has been imposed by rationing and allocation orders—disclosed that even the scheduled sources of new supply would not provide rubber for any of the 30,000,000 passenger cars now in operation in the United States. In presenting the statistical picture, Mr. Henderson said:

"I had hoped that we could find some available crude rubber for class B trucks and for the most essential of passenger automobiles. However, the Committee will see that with our allotment of 10,000 tons per month beginning in April we face another deficit, because our class A trucks now require 6,500 tons and the March non-tire uses are 5,500. In other words, before we can begin thinking of anything for any passenger car automobile in this country and anything in the way of crude rubber for class B trucks, we first must find ways to cut 2,000 more tons. In order to keep in operation any substantial number of essential cars now classified in our A and B tire lists, another 500 tons a month is required and in order to maintain on a drastically reduced operation basis class B trucks another 150 tons a month is needed just for camelback. To sum up, as we face the situation today, the existing civilian uses must be cut 2,650 tons a month at least."

### War Damage Bill Passes House

The Senate bill providing \$1,000,000,000 for the issuance of war-risk insurance by the War Damage Corporation passed the House in an amended form on March 2. The measure is now pending before a conference committee for reconciliation of amendments adopted by the House.

### RULING ON WAGE-HOUR SUBPOENAS

#### Supreme Court Holds Only Administrator Can Order Production of Books and Records

Regional directors of the Wage and Hour Administration cannot issue subpoenas requiring the attendance of witnesses and the production of books and records, the Supreme Court ruled in a 5 to 4 decision rendered March 2. The authority to issue such subpoenas rests, the Supreme Court concluded, in the Wage and Hour Administrator alone, and cannot be delegated by him to his regional directors.

As a result of this decision, all Wage and Hour Division subpoenas issued in the future must, if they are to be valid, be issued in the name of and over the signature of the Administrator.

The Supreme Court's decision was rendered in the case of *Cudahy Packing Company v. Thomas W. Holland*, Administrator of the Wage and Hour Division. A regional director of the Division had issued a subpoena, commanding the Cudahy Packing Company to produce at New Orleans, La., all of their books, papers and records showing hours worked by and wages paid to their employees, and all shipments received at or made from Cudahy's Shreveport, La., plant. The Cudahy Company declined to comply with this subpoena, and a court order was sought requiring such compliance. The District Court's decision ordering the company to comply with the subpoena was appealed to the Circuit Court of Appeals for the Fifth Circuit and then to the Supreme Court.

The Wage and Hour Administrator contended before the Supreme Court that Section 11 of the Act (authorizing the investigation and inspection of the plants and records of employers subject to the Act), and Section 9, which confers upon the Administrator the same subpoena powers that are accorded to the Federal Trade Commission, indicated a Congressional intent to allow the Administrator to delegate to his representatives, including regional directors, the authority to issue subpoenas. After reviewing the legislative history of the Act, the language of its various provisions, and the questions of public policy involved in the issuance of subpoenas, the majority of the Court concluded that the power to issue subpoenas is personal to the Administrator and cannot be delegated to his subordinates.

The Court's decision was a 5-4 decision, four justices dissenting. The majority opinion was written by Mr. Chief Justice Stone. Mr. Justice Douglas wrote a dissenting opinion in which Messrs. Justices Black, Byrnes, and Jackson concurred.

### Army Invites Bacon and Pickle Bids

The Chicago Quartermaster has invited bids, to be opened March 13, on the following quantities of pickles and relish: 6,408 dozen 1-gallon cans whole sour pickles, 7,800 dozen 1-gallon cans whole sweet pickles, 29,845 dozen 1-gallon cans whole imitation dill pickles, 8,517 dozen 1-gallon cans mixed sweet pickles, and 4,250 dozen 1-gallon cans sweet chow chow.

On March 17 the Chicago Quartermaster will open bids on 6,944 dozen 12-pound cans of dry salt cured bacon, to be packed for overseas shipment.

## 7 BILLIONS IN NEW TAXES PROPOSED

### Program of Treasury Recommends Substantial Increase in Excess Profits Rates

On March 3 Secretary of the Treasury Morgenthau presented to the House Ways and Means Committee the Treasury Department's suggested program for raising the additional seven billion dollars in new revenue from taxes which the President requested in his budget message in January. Further detailed recommendations were offered to the Committee on the same day by Randolph Paul, tax adviser to Secretary Morgenthau.

The Treasury's proposals reflect a program that has been carefully prepared after several months of study, not only by tax experts in the Department, but also by those on the staff of the Joint Congressional Committee on Internal Revenue Taxation. Because of this extended and careful formulation of the Treasury's recommendations, it is likely that they will be followed more closely by the House Ways and Means Committee than has been true at times in the past.

Of primary interest to canners are the changes that have been recommended in the corporation income and excess profits taxes. Secretary Morgenthau proposed that corporation taxes be revised to raise an additional three billion dollars of revenue, almost half of the total seven billion dollars which it is hoped the new revenue measure will produce. Of this three billion dollars, Secretary Morgenthau suggested that a substantial portion should come from increases in excess profits tax rates. He recommended that these rates be raised 15 percentage points in each bracket, so that the excess profits tax rates would vary from 50 to 75 per cent, rather than the 35 to 60 per cent imposed by the present law. The remainder of the income to be derived from corporation taxes would, under the Treasury's recommendations, be raised by an increase in the surtax imposed upon corporation surtax net income. At present, corporation surtaxes are imposed at the rate of six per cent on the first \$25,000 of surtax net income and seven per cent on all income in excess of that amount. The Treasury recommended that these surtax rates be raised to 16 per cent for corporations with income of less than \$25,000 and to a flat 31 per cent for corporations with income over \$25,000. The surtax, as thus increased, would be known as the war surtax.

Under the Treasury Department recommendations, no change would be made in the normal corporation taxes. These would remain at present rates, which vary from 15 to 19 per cent for corporations with incomes of less than \$25,000, and which are imposed at the flat rate of 24 per cent for corporations with incomes over \$25,000. A repeal of the capital stock tax and the declared value excess profits tax also was suggested to the Committee.

The Treasury made no recommendations for changes in the basic structure of the excess profits tax law. This presumably means that the Department will make no effort to bring about a repeal of the average earnings method of computing excess profits, and that in the future, as in the past, corporations will still have the option to compute their excess profits under either their average earnings or the invested capital methods. Both Secretary Morgenthau and Mr. Paul did, however, express a belief that the excess profits tax law should be amended to afford additional relief to corporations whose earnings during the base period were abnormally de-

pressed. The precise methods by which such relief should be afforded were not detailed. The general recognition of inequalities in the present law possibly suggests that more favorable consideration may be given to the peculiar problems of the canning industry. These are to be presented to the House Committee by Association witnesses during the public hearing which begins on March 9.

Two unique suggestions were made to prevent these substantial increases in corporation excess profits and surtax rates from becoming oppressive. As to the corporation surtax, the Treasury recommended that a special credit against this tax be allowed for corporations having incomes over \$25,000 which during the taxable year have incomes less than their average income during the base period 1936-1939. This credit would be allowed at the rate of 10 per cent of the difference between the 1936-1939 average income and the income for the taxable year in question. For example, if a corporation had an average surtax net income for the years 1936-1939 of \$150,000, and a 1942 surtax net income of \$50,000, its gross war surtax would be 31 per cent of \$50,000 or \$15,500, but it would be allowed as a credit against that sum, 10 per cent of the difference between \$150,000 and \$50,000, or \$10,000, so that its war surtax would be reduced to \$5,500. The corporation's normal tax would remain at 24 per cent. This credit would, however, be limited to a maximum of 20 per cent of the surtax net income.

The second unique suggestion was that whenever the combined corporation and excess profits tax rates on any dollar of corporation income exceed 80 per cent, the excess is to be set aside by the Government for the account of that corporation. After the war the amount so set aside would be repaid to the corporation for the re-employment of labor, either directly or in the construction of capital needed in shifting operations from war time production to peace time production. For this refund provision to be applicable it would not be necessary that a corporation have an 80 per cent rate applicable to its entire earnings. The refund arrangement would apply to any dollar of corporate income in the higher brackets which is subjected to a combined normal tax, surtax, and excess profits tax of more than 80 per cent.

Apart from these changes in corporate taxes, the Treasury Department recommended substantial increases in individual income and estate and gift tax rates. Mandatory joint returns for husband and wife were recommended, as were changes in the treatment of, and increased taxes on, capital gains and losses. Also of interest is the Treasury's recommendation that the five-year amortization of emergency defense facilities, which now applies only to corporations, be made available likewise to individuals and partnerships. If adopted, this will permit the same kind of 5-year accelerated amortization of new canning equipment installed by individuals or partnerships to meet war time production goals.

In connection with the increased individual tax rates, the Treasury suggested that it be permitted to require employers to withhold from wage payments up to as much as 10 per cent of the wages paid. This would serve as a method of making advance collections of income taxes, and undoubtedly would create accounting problems for canners and other employers.

Finally, a series of new excise taxes was proposed. Among these is a tax on carbonated soft drinks which presumably



would not apply to canned fruit and vegetable juices. No general sales tax was recommended. Indeed, Secretary Morgenthau expressed at considerable length his objection to any general sales tax, pointing out that such taxes are exceedingly inequitable and levied tax burdens upon those least able to pay.

Secretary Morgenthau also reiterated the President's suggestion that an additional \$2,000,000 be raised by increasing social security taxes. He stated, however, that this should be accomplished by separate legislation at a later date.

### Walling Confirmed as Wage-Hour Head

The Senate on March 5 confirmed the appointment of L. Metcalfe Walling to the post of Administrator of the Wage and Hour Division of the Labor Department. Mr. Walling also is administrator of the Walsh-Healey Public Contracts Act.

### CANNED FRUIT REGULATIONS PROMULGATED

#### "Cut-out" Replaces "Put-in" Brix Readings for Peaches, Pears, Apricots, Cherries

The revised and amended definitions and standards of identity for canned peaches, pears, apricots and cherries were promulgated by the Federal Security Administrator in final form on March 3, 1942. The Federal Security Administrator's order states that the regulations, as finally promulgated, are to become effective on the ninetieth day following the date of publication in the Federal Register. Since the regulations were published in the Federal Register of March 3, this means that they will become effective on June 1, 1942. The effective date of certain of the labeling provisions is, however, postponed until February 26, 1943.

As finally promulgated, the revised standards of identity are virtually identical with the tentative standards issued by the Administrator on January 7, 1942. From the canners' viewpoint, the most important changes that are made are the adoption of "Cut-out" Brix readings, rather than "Put-in" Brix readings as a basis for the differentiation of the various sirups used in the canned fruits, and changes in the names of "Light" and "Medium" sirups. Under the former standards, which are replaced by the Administrator's new regulations, the sirups were designated as "Light," "Medium," "Heavy," and "Extra-Heavy". The revised regulations change the name of "Light" sirup to "Slightly Sweetened Water" and change the name of "Medium" sirup to "Light" sirup. The new sirup designations thus are "Slightly Sweetened Water", "Light", "Heavy", and "Extra-Heavy".

The Administrator's order states that the provisions of the regulations requiring these new sirup designations to be used on labels shall not become effective until one year from the date that the new regulations were signed by the Administrator. This date was February 26, 1942, which means that these new sirup designations need not be used on labels until February 26, 1943.

Under the amended standards, both dextrose and corn sirup may be used in preparing sirups, without label statement, and without any adjustment for sweetness. It should be noted that limitations are imposed upon the amount of dextrose and corn sirup that may be used.

The amended standards also authorize the preparation of packing media from combinations of fruit juice and sweetening ingredients. If no water is used in the preparation of such packing media, they may be referred to as "Light", "Heavy" or "Extra-Heavy Peach Juice Sirup". If water is used, the sirups are treated the same as though they were prepared entirely with water.

The amended and revised text of the regulations is as follows:

#### Section 27.000 Canned peaches, identity; label statement of optional ingredients

(a) Canned peaches is the food prepared from one of the optional peach ingredients specified in paragraph (b) and one of the optional packing media specified in paragraph (c). Such food may be seasoned with one or more of the following optional ingredients:

- (1) spice;
- (2) flavoring, other than artificial flavoring;
- (3) a vinegar;
- (4) peach pits, except in the cases of peeled whole peaches and unpeeled whole peaches, in a quantity not more than one peach pit to each eight ounces of finished canned peaches; and
- (5) peach kernels, except in the cases of peeled whole peaches and unpeeled whole peaches, and except when optional ingredient (4) is used.

Such food is sealed in a container and is so processed by heat as to prevent spoilage.

(b) The optional peach ingredients referred to in paragraph (a) of this section are prepared from mature peaches of the yellow clingstone, yellow freestone, white clingstone, or white freestone varietal group, and are in the following forms of units: peeled whole, unpeeled whole, peeled halves, peeled quarters, peeled slices, peeled dice, peeled mixed pieces of irregular sizes and shapes. Each such form of units prepared from each such varietal group is an optional peach ingredient. Each such ingredient, except in the case of peeled whole peaches and unpeeled whole peaches, is pitted. For the purpose of paragraph (c) of this section, the names of such optional peach ingredients are the words "Yellow Cling" or "Yellow Clingstone", "White Cling" or "White Clingstone", "Yellow Free" or "Yellow Freestone" or "White Free" or "White Freestone", as the case may be, preceded or followed by the word or words "Whole", "Unpeeled Whole", "Halves" or "Halved", "Unpeeled Halves" or "Unpeeled Halved", "Quarters" or "Quartered", "Slices" or "Sliced", "Dice" or "Diced", or "Mixed Pieces of Irregular Sizes and Shapes", as the case may be.

(c) The optional packing media referred to in paragraph (a) of this section are:

- (1) water,
- (2) peach juice,
- (3) slightly sweetened water,
- (4) light sirup,
- (5) heavy sirup,
- (6) extra heavy sirup,
- (7) slightly sweetened peach juice,
- (8) light peach juice sirup,
- (9) heavy peach juice sirup, and
- (10) extra heavy peach juice sirup.

As used in this paragraph the term "water" means, in addition to water, any mixture of water and peach juice; and the term "peach juice" means the fresh or canned expressed juice of mature peaches, of any varietal group specified in paragraph (b) of this section, to which no water is added, directly or indirectly.

Each of packing media (3) to (10), inclusive, is prepared with a liquid ingredient and a saccharine ingredient. Water is the liquid ingredient from which packing media (3) to (6), inclusive, are prepared, and peach juice is the liquid ingredient from which packing media (7) to (10), inclusive, are prepared. The saccharine ingredient from which packing media (3) to (10), inclusive, are prepared is one of the following: sugar; or any combination of sugar and dextrose in which the weight of the solids of the dextrose used is not more than one-half the weight of the solids of the sugar used; or any combination of sugar and corn sirup in which the weight of the solids of the corn sirup used is not more than one-third the weight of the solids of the sugar used; or any combination of sugar, dextrose, and corn sirup in which twice the weight of the solids of the dextrose used added to three times the weight of the solids of the corn sirup used is not more than the weight of the solids of the sugar used; except that packing media (7) to (10), inclusive, are not prepared with any invert sugar sirup or with any corn sirup other than dried corn sirup. A packing medium prepared with peach juice and any invert sugar sirup or corn sirup other than dried corn sirup, is considered to be prepared with water as the liquid ingredient.

The respective densities of packing media (3) to (10), inclusive, as measured on the Brix hydrometer 15 days or more after the peaches are canned, are within the range prescribed for each in the following list:

Number of packing medium:

Brix measurement

(3) and (7).....	Less than 14°.
(4) and (8).....	14° or more but less than 19°.
(5) and (9).....	19° or more but less than 24°.
(6) and (10).....	24° or more but not more than 35°.

(d) For the purposes of this section—

(1) The term "sugar" means refined sucrose or invert sugar sirup. The term "invert sugar sirup" means an aqueous solution of inverted or partly inverted, refined or partly refined sucrose, the solids of which contain not more than 0.3 per cent by weight of ash, and which is colorless, odorless, and flavorless except for sweetness.

(2) The term "dextrose" means the hydrated or anhydrous, refined monosaccharide obtained from hydrolyzed starch.

(3) The term "corn sirup" means an aqueous solution obtained by the incomplete hydrolysis of cornstarch, and includes dried corn sirup; the solids of corn sirup and of dried corn sirup contain not less than 58 per cent by weight of reducing sugars.

(e) The label shall bear the name of the optional peach ingredient used, as specified in paragraph (b) of this section, and the name whereby the optional packing medium used is designated in paragraph (c) of this section, preceded by "In" or "Packed in." When any of the optional ingredients permitted by one of the following specified subparagraphs of paragraph (a) of this section is used, the label shall bear the words set forth below after the number of such subparagraph:

(1) "Spiced" or "Spice Added" or "With Added Spice", or, in lieu of the word "Spice", the common name of the spice;

(2) "Flavoring Added" or "With Added Flavoring", or, in lieu of the word "Flavoring", the common name of the flavoring;

(3) "Seasoned with Vinegar" or "Seasoned with — Vinegar", the blank being filled in with the word showing the kind of vinegar used;

(4) "Seasoned with Peach Pits";

(5) "Seasoned with Peach Kernels."

When two or more of the optional ingredients specified in paragraph (a) (1), (2), (3), and (4) or (5) of this section are used, such words may be combined, as for example, "Seasoned with Cider Vinegar, Cloves, Cinnamon Oil, and Peach Kernels."

Wherever the name "peaches" appears on the label so conspicuously as to be easily seen under the customary conditions of purchase, the words herein specified, showing the optional ingredients used, shall immediately and conspicuously precede or follow such name without intervening written, printed, or graphic matter, except that the specific varietal name of the peaches may so intervene.\*

#### Section 27.010 Canned apricots, identity; label statement of optional ingredients

(a) Canned apricots is the food prepared from one of the optional apricot ingredients specified in paragraph (b) of this section and one of the optional packing media specified in paragraph (c) of this section. Such food may be seasoned with one or more of the following optional ingredients:

(1) spice;

(2) flavoring, other than artificial flavoring;

(3) a vinegar;

(4) apricot pits, except in the cases of unpeeled whole apricots and peeled whole apricots, in a quantity not more than one apricot pit to each eight ounces of finished canned apricots;

(5) apricot kernels, except in the cases of unpeeled whole apricots and peeled whole apricots, and except when optional ingredient (4) is used.

Such food is sealed in a container and so processed by heat as to prevent spoilage.

(b) The optional apricot ingredients referred to in paragraph (a) of this section are prepared from mature apricots and are in the following forms of units: unpeeled whole, peeled whole, unpeeled halves, peeled halves, unpeeled quarters, peeled quarters, unpeeled slices, peeled slices, unpeeled mixed pieces of irregular sizes and shapes, peeled mixed pieces of irregular sizes and shapes. Each such form of units is an optional apricot ingredient. Each such ingredient, except in the cases of unpeeled whole apricots and peeled whole apricots, is pitted. For the purposes of paragraph (e) of this section, the names of such optional apricot ingredients are "Whole", "Halves" or "Halved", "Quarters" or "Quartered", "Slices" or "Sliced", "Mixed Pieces of Irregular Sizes and Shapes", as the case may be, preceded or followed by "Unpeeled" or "Peeled", as the case may be.

(c) The optional packing media referred to in paragraph (a) of this section are:

(1) water,

(2) apricot juice,

(3) slightly sweetened water,

(4) light sirup,

(5) heavy sirup,

(6) extra heavy sirup,

(7) slightly sweetened apricot juice,

(8) light apricot juice sirup,

(9) heavy apricot juice sirup, and

(10) extra heavy apricot juice sirup.

As used in this paragraph the term "water" means, in addition to water, any mixture of water and apricot juice; and the term "apricot juice" means the fresh or canned expressed juice of mature apricots to which no water is added, directly or indirectly.

Each of packing media (3) to (10), inclusive, is prepared with a liquid ingredient and a saccharine ingredient. Water

is the liquid ingredient from which packing media (3) to (6), inclusive, are prepared, and apricot juice is the liquid ingredient from which packing media (7) to (10), inclusive, are prepared. The saccharine ingredient from which packing media (3) to (10), inclusive, are prepared is one of the following: sugar; or any combination of sugar and dextrose in which the weight of the solids of the dextrose used is not more than one-half the weight of the solids of the sugar used; or any combination of sugar and corn sirup in which the weight of the solids of the corn sirup used is not more than one-third the weight of the solids of the sugar used; or any combination of sugar, dextrose, and corn sirup in which twice the weight of the solids of the dextrose used added to three times the weight of the solids of the corn sirup used is not more than the weight of the solids of the sugar used; except that packing media (7) to (10), inclusive, are not prepared with any invert sugar sirup or with any corn sirup other than dried corn sirup. A packing medium prepared with apricot juice and any invert sugar sirup or corn sirup other than dried corn sirup, is considered to be prepared with water as the liquid ingredient.

The respective densities of packing media (3) to (10), inclusive, as measured on the Brix hydrometer 15 days or more after the apricots are canned, are within the range prescribed for each in the following list:

Number of packing medium:	Brix measurement
(3) and (7).....	Less than 16°.
(4) and (8).....	16° or more but less than 21°.
(5) and (9).....	21° or more but less than 25°.
(6) and (10).....	25° or more but not more than 40°.

(d) For the purposes of this section—

(1) The term "sugar" means refined sucrose or invert sugar sirup. The term "invert sugar sirup" means an aqueous solution of inverted or partly inverted, refined or partly refined sucrose, the solids of which contain not more than 0.3 per cent by weight of ash, and which is colorless, odorless, and flavorless except for sweetness.

(2) The term "dextrose" means the hydrated or anhydrous, refined monosaccharide obtained from hydrolyzed starch.

(3) The term "corn sirup" means an aqueous solution obtained by the incomplete hydrolysis of cornstarch, and includes dried corn sirup; the solids of corn sirup and of dried corn sirup contain not less than 58 per cent by weight of reducing sugars.

(e) The label shall bear the name of the optional apricot ingredient used, as specified in paragraph (b) of this section, and the name whereby the optional packing medium used is designated in paragraph (c) of this section, preceded by "In" or "Packed in." When any optional ingredient permitted by one of the following specified subparagraphs of paragraph (a) is used, the labels shall bear the words set forth below after the number of such subparagraph:

(1) "Spiced" or "Spice Added" or "With Added Spice", or, in lieu of the word "Spice", the common name of the spice;

(2) "Flavoring Added" or "With Added Flavoring", or, in lieu of the word "Flavoring", the common name of the flavoring;

(3) "Seasoned with Vinegar" or "Seasoned with — Vinegar", the blank being filled in with the word showing the kind of vinegar used;

(4) "Seasoned with Apricot Pits";

(5) "Seasoned with Apricot Kernels."

When two or more of the optional ingredients specified in paragraph (a) (1), (2), (3), and (4) or (5) of this section are used, such words may be combined, as for ex-

ample, "Seasoned with Cider Vinegar, Cloves, Cinnamon Oil, and Apricot Kernels."

Wherever the name "apricots" appears on the label so conspicuously as to be easily seen under the customary conditions of purchase, the words herein specified, showing the optional ingredients used, shall immediately and conspicuously precede or follow such name without intervening written, printed, or graphic matter, except that the specific varietal name of the apricots may so intervene."

#### Section 27.020 Canned pears, identity; label statement of optional ingredients

(a) Canned pears is the food prepared from one of the optional pear ingredients specified in paragraph (b) of this section and one of the optional packing media specified in paragraph (c) of this section. Such food may be seasoned with one or more of the following optional ingredients:

- (1) spice;
- (2) flavoring, other than artificial flavoring; and
- (3) a vinegar.

Such food is sealed in a container and so processed by heat as to prevent spoilage.

(b) The optional pear ingredients referred to in paragraph (a) of this section are prepared from mature pears and are in the following forms of units: peeled whole, unpeeled whole, peeled halves, unpeeled halves, peeled quarters, peeled slices, peeled dice, peeled mixed pieces of irregular sizes and shapes. Each such form of units is an optional pear ingredient. Each such ingredient, except in the cases of peeled whole pears and unpeeled whole pears, is cored. For the purposes of paragraph (e) of this section, the respective names of such optional pear ingredients are "Whole", "Halves" or "Halved", "Quarters" or "Quartered", "Slices or Sliced", "Dice" or "Diced", "Mixed Pieces of Irregular Sizes and Shapes", preceded or followed, in case the units are whole or halves and are unpeeled, by the word "Unpeeled".

(c) The optional packing media referred to in paragraph (a) of this section are:

- (1) water,
- (2) pear juice,
- (3) slightly sweetened water,
- (4) light sirup,
- (5) heavy sirup,
- (6) extra heavy sirup,
- (7) slightly sweetened pear juice,
- (8) light pear juice sirup,
- (9) heavy pear juice sirup, and
- (10) extra heavy pear juice sirup.

As used in this paragraph the term "water" means, in addition to water, any mixture of water and pear juice; and the term "pear juice" means the fresh or canned expressed juice of mature pears to which no water is added, directly or indirectly.

Each of packing media (3) to (10), inclusive, is prepared with a liquid ingredient and a saccharine ingredient. Water is the liquid ingredient from which packing media (3) to (6), inclusive, are prepared, and pear juice is the liquid ingredient from which packing media (7) to (10), inclusive, are prepared. The saccharine ingredient from which packing media (3) to (10), inclusive, are prepared is one of the following: sugar; or any combination of sugar and dextrose in which the weight of the solids of the dextrose used is not more than one-half the weight of the solids of the sugar used; or any combination of sugar and corn sirup in which the weight of the solids of the corn sirup used is not more than one-third the weight of the solids of the sugar used;



or any combination of sugar, dextrose, and corn sirup in which twice the weight of the solids of the dextrose used added to three times the weight of the solids of the corn sirup used is not more than the weight of the solids of the sugar used; except that packing media (7) to (10), inclusive, are not prepared with any invert sugar sirup or with any corn sirup other than dried corn sirup. A packing medium prepared with pear juice and any invert sugar sirup or corn sirup other than dried corn sirup, is considered to be prepared with water as the liquid ingredient.

The respective densities of packing media (3) to (10), inclusive, as measured on the Brix hydrometer 15 days or more after the pears are canned, are within the range prescribed for each in the following list:

Number of packing medium:	Brix measurement
(3) and (7).....	Less than 14°.
(4) and (8).....	14° or more but less than 18°.
(5) and (9).....	18° or more but less than 22°.
(6) and (10).....	22° or more but not more than 35°.

(d) For the purposes of this section—

(1) The term "sugar" means refined sucrose or invert sugar sirup. The term "invert sugar sirup" means an aqueous solution of inverted or partly inverted, refined or partly refined sucrose, the solids of which contain not more than 0.3 per cent by weight of ash, and which is colorless, odorless, and flavorless except for sweetness.

(2) The term "dextrose" means the hydrated or anhydrous, refined monosaccharide obtained from hydrolyzed starch.

(3) The term "corn sirup" means an aqueous solution obtained by the incomplete hydrolysis of cornstarch, and includes dried corn sirup; the solids of corn sirup and of dried corn sirup contain not less than 58 per cent by weight of reducing sugars.

(e) The label shall bear the name of the optional pear ingredient used, as specified in paragraph (b) of this section, and the name whereby the optional packing medium used is designated in paragraph (c) of this section, preceded by "In" or "Packed in." When any optional ingredient permitted by one of the following specified subparagraphs of paragraph (a) of this section is used, the label shall bear the words set forth below after the number of such subparagraph:

(1) "Spiced" or "Spice Added" or "With Added Spice", or, in lieu of the word "Spice", the common name of the spice;

(2) "Flavoring Added" or "With Added Flavoring", or, in lieu of the word "Flavoring", the common name of the flavoring;

(3) "Seasoned with Vinegar" or "Seasoned with ——— Vinegar", the blank being filled in with the word showing the kind of vinegar used.

When two or all of the optional ingredients specified in paragraph (a) (1), (2), and (3) of this section are used, such words may be combined, as for example, "Seasoned with Cider Vinegar, Cloves, and Cinnamon Oil."

Wherever the name "pears" appears on the label so conspicuously as to be easily seen under the customary conditions of purchase, the words herein specified showing the optional ingredients used, shall immediately and conspicuously precede or follow such name without intervening written, printed, or graphic matter, except that the specific varietal name of the pears may so intervene.\*

#### Section 27.030 Canned cherries, identity; label statement of optional ingredients

(a) Canned cherries is the food prepared from one of the optional cherry ingredients specified in paragraph (b) of this section and one of the optional packing media specified in paragraph (c) of this section. Such food may be seasoned with one or more of the following optional ingredients:

- (1) spice;
- (2) flavoring, other than artificial flavoring;
- (3) a vinegar.

Such food is sealed in a container and so processed by heat as to prevent spoilage.

(b) The optional cherry ingredients referred to in paragraph (a) of this section are prepared from mature cherries of the red sour, light sweet, or dark sweet varietal group. Pitted cherries of each such group and unpitted cherries of each such group are an optional cherry ingredient. For the purposes of paragraph (e) of this section, the names of such optional cherry ingredients are the words "Red Sour" or "Red Tart", "Light Sweet" or "Dark Sweet", as the case may be, preceded or followed by the word "Pitted" in case such ingredients are pitted.

(c) The optional packing media referred to in paragraph (a) of this section are:

- (1) water,
- (2) cherry juice,
- (3) slightly sweetened water,
- (4) light sirup,
- (5) heavy sirup,
- (6) extra heavy sirup,
- (7) slightly sweetened cherry juice,
- (8) light cherry juice sirup,
- (9) heavy cherry juice sirup, and
- (10) extra heavy cherry juice sirup.

As used in this paragraph the term "water" means, in addition to water, any mixture of water and cherry juice; and the term "cherry juice" means the fresh or canned expressed juice of mature cherries, of any varietal group specified in paragraph (b) of this section, to which no water is added, directly or indirectly.

Each of packing media (3) to (10), inclusive, is prepared with a liquid ingredient and a saccharine ingredient. Water is the liquid ingredient from which packing media (3) to (6), inclusive, are prepared, and cherry juice is the liquid ingredient from which packing media (7) to (10), inclusive, are prepared. The saccharine ingredient from which packing media (3) to (10), inclusive, are prepared is one of the following: sugar; or any combination of sugar and dextrose in which the weight of the solids of the dextrose used is not more than one-half the weight of the solids of the sugar used; or any combination of sugar and corn sirup in which the weight of the solids of the corn sirup used is not more than one-third the weight of the solids of the sugar used; or any combination of sugar, dextrose, and corn sirup in which twice the weight of the solids of the dextrose used added to three times the weight of the solids of the corn sirup used is not more than the weight of the solids of the sugar used; except that packing media (7) to (10), inclusive, are not prepared with any invert sugar sirup or with any corn sirup other than dried corn sirup. A packing medium prepared with cherry juice and any invert sugar sirup or corn sirup other than dried corn sirup, is considered to be prepared with water as the liquid ingredient.

The respective densities of packing media (3) to (10), inclusive, as measured on the Brix hydrometer 15 days or

more after the cherries are canned, are within the range prescribed for each in the following list:

Number of packing medium:	Drix measurement
In case of sweet cherries:	
(3) and (7).....	Less than 16°.
(4) and (8).....	16° or more but less than 20°.
(5) and (9).....	20° or more but less than 25°.
(6) and (10).....	25° or more but not more than 35°.
In case of red sour cherries:	
(3) and (7).....	Less than 16°.
(4) and (8).....	16° or more but less than 22°.
(5) and (9).....	22° or more but less than 28°.
(6) and (10).....	28° or more but not more than 48°.

(d) For the purposes of this section—

(1) The term "sugar" means refined sucrose or invert sugar sirup. The term "invert sugar sirup" means an aqueous solution of inverted or partly inverted, refined or partly refined sucrose, the solids of which contain not more than 0.3 per cent by weight of ash, and which is colorless, odorless, and flavorless except for sweetness.

(2) The term "dextrose" means the hydrated or anhydrous, refined monosaccharide obtained from hydrolyzed starch.

(3) The term "corn sirup" means an aqueous solution obtained by the incomplete hydrolysis of cornstarch, and includes dried corn sirup; the solids of corn sirup and of dried corn sirup contain not less than 58 per cent by weight of reducing sugars.

(e) The label shall bear the name of the optional cherry ingredient used, as specified in paragraph (b) of this section, and the name whereby the optional packing medium used is designated in paragraph (c) of this section, preceded by "In" or "Packed in". When any optional ingredient permitted by one of the following specified subparagraphs of paragraph (a) of this section is used, the label shall bear the words set forth below after the number of such subparagraph:

(1) "Spiced" or "Spice Added" or "With Added Spice", or, in lieu of the word "Spice", the common name of the spice;

(2) "Flavoring Added" or "With Added Flavoring", or, in lieu of the word "Flavoring", the common name of the flavoring;

(3) "Seasoned with Vinegar" or "Seasoned with \_\_\_\_\_ Vinegar", the blank being filled in with the word showing the kind of vinegar used.

When two or all of the optional ingredients specified in paragraph (a) (1), (2), and (3) of this section are used, such words may be combined, as for example, "Seasoned with Cider Vinegar, Cloves, and Cinnamon Oil".

Wherever the name "cherries" appears on the label so conspicuously as to be easily seen under the customary conditions of purchase, the words herein specified, showing the optional ingredients used, shall immediately and conspicuously precede or follow such name without intervening written, printed, or graphic matter, except that the specific varietal name of the cherries may so intervene.\*

\* §§ 27,000 to 27,030, inclusive, issued under the authority contained in secs. 401 and 701 (e) of the Federal Food, Drug, and Cosmetic Act (52 Stat. 1046, 21 U.S.C. 341, and 52 Stat. 1055, 21 U.S.C. 371 (e)); the Reorganization Act of 1909 (33 Stat. 561 §.; 5 U.S.C., secs. 133-133i); Reorganization Plan No. 1, Part 2 (33 Stat. 1423, 5 U.S.C. 82); and Reorganization Plan No. IV (54 Stat. 1234, 5 U.S.C. 97).

## Marine War-Risk Insurance Bill in House

Authority under which the Administrator of the War Shipping Administration may provide marine war-risk insurance coverage for persons being transported to outlying bases for employment, such as seasonal employees in the Alaskan fisheries and canneries, is contained in a bill recommended

for House approval by the Committee on Merchant Marine and Fisheries. The bill, as reported March 2 by the House Committee, would broaden the scope of insurable property and persons for which marine re-insurance and war-risk insurance may be furnished and would extend coverage to any American-owned watercraft used in the fishing trade or industry. Insurance furnished by the War Shipping Administration, according to the report of the Committee, would be at reduced or non-compensatory rates.

## WAR DEVELOPMENTS AFFECTING CANNERS

### Price Controls and Other Regulations Imposed on Products Used in Food Packing

During the week a number of government regulations were issued by various agencies, affecting products that are used in canning operations. The following paragraphs briefly highlight some of these actions:

**Burlap** maximum prices may be increased to meet additional costs of shipping caused by the war, according to revisions of the current price schedule permitted by the Office of Price Administration under Amendment No. 1. Effective March 3, the amendment permits only the addition of actual cost incurred for increased war risk insurance and ocean freights over the rates prevailing August 16, 1941, when the maximum prices originally were established.

**Chlorine** for water and sewage treatments is given an A-2 preference rating by an amendment to Order M-19, issued by the War Production Board. Supplies for these purposes may be obtained in the same manner as in normal times, producers of chlorine being required to set aside each month sufficient quantities to take care of regular treatments of this nature. The order prohibits use of chlorine for a number of other purposes and reductions in some cases. Manufacturers of sodium hypochlorite solutions in small containers for retail sale must reduce their use of chlorine by 40 per cent. The product is prohibited for the bleaching of foodstuffs. An A-2 rating also is granted chlorine for potable water treatment, an A-6 for food processing plant sanitation, an A-9 for foodstuff processing and refining other than bleaching and for food preservation, and an A-10 for use by laboratories and for the manufacture of insecticides and fungicides.

**Paper** (kraft converting, coarse sulphite, and tissue) prices will be held to those at which all grades of such items were sold during the period October 1 to October 15, 1941, inclusive, if manufacturers agree to requests issued March 5 by OPA.

**Zinc** production comes under control of the War Production Board through Order M-11-i which obliges producers to set aside 50 per cent of their December, 1941, production of high grade zinc and 40 per cent of all other grades. The order also sets requirements for lead-free zinc oxide and for leaded zinc oxide.

### WPB Asks for Idle Machine Tools

Owners of idle machine tools have been requested by the Tools Branch, War Production Board, to make them available for sale so they can be placed in plants engaged in war production. Full information regarding idle tools should be forwarded to the Available Used Tools Section of the War Production Board where it can be incorporated in reference files for operators of war production plants.

## UNIONS MAY COLLECT FROM TRUCKMEN

### U. S. Supreme Court so Rules in Interpretation of Federal Anti-Racketeering Act

Of interest to all cannerymen making shipments of their products over State lines, and especially to those cannerymen who ship into New York City, is a March 2 decision of the United States Supreme Court (*United States of America v. Local 807 of International Brotherhood of Teamsters, Chauffeurs, Stablemen and Helpers of America, et al.*) to the effect that a local labor union does not violate the Federal Anti-Racketeering Act by requiring and compelling truck operators to make payments to it equal in amount to union wages even though the members of the union do no work in return.

The union involved in the case includes in its membership nearly all truck drivers and helpers in New York City. There was evidence that prior to 1939 the union and certain of its officers and members conspired to use and actually used violence and threats to obtain from the operators of trucks entering New York City a payment equal to the union's wages for a day's work of driving and unloading. This was done without regard to whether the trucks entering that city were sufficiently manned and whether the additional labor was necessary. After the payments were made the union members in some instances performed the actual labor of driving and unloading while in others their services were rejected. At times also the evidence indicated that the members of the union had either failed to offer to work or refused to do so.

Prosecution of the defendants, after investigation by the Federal Department of Justice, was instituted under both the Federal anti-trust laws and the Federal Anti-Racketeering Act. Upon their conviction of conspiracy to violate sections of both Acts they appealed to the Circuit Court of Appeals of the Second Circuit. It was there determined that in the absence of evidence of concerted action or agreement to fix the prices of trucking or of commodities a conviction under the anti-trust laws could not stand. It was further determined that the trial court had erroneously interpreted the Federal Anti-Racketeering Act and, by reason of the incorrect presentation of the matter to the jury, the conviction under that Act was likewise reversed.

This action of the Circuit Court was approved by the United States Supreme Court in the decision handed down this week. In reaching this conclusion, the Supreme Court reviewed at length the provisions of the Federal Anti-Racketeering Act. That statute in general prohibits any person, in connection with or in relation to any act affecting interstate commerce, from obtaining or attempting to obtain a payment of money by the use of force, violence or coercion. A portion of the Act, however, excepts from punishment any person who "obtains or attempts to obtain, by the use of or attempt to use or threat to use force, violence, or coercion \* \* \* the payment of wages by a bona fide employer to a bona fide employee". The Court interpreted this exception to embrace the members of this union. The Court stated that the Act had been designed to eliminate only "terroristic activities by professional gangsters" rather than the "militant labor activity" it found in this case.

Under this decision the anti-racketeering law apparently cannot touch those truck drivers who offer their services in

good faith to an employer, who work if he accepts their offer, or who, to advance labor union interests, require payment for their services equal to the union wage even though the services are rejected. The Court's opinion suggests, however, that the exception in the law does not extend protection to those who exact payment without the intention of performing the work for which it was made. The Court also pointed out that its decision does not affect the powers of local authorities to punish acts of violence. It does, however, preclude cannerymen and truckers from seeking protection under the Federal Anti-Racketeering Act where the members of a local union require that they be employed or that they be paid if others work. This apparently is to be the rule under existing Federal law even though violence is used. Punishment for such violence is left to the local authorities.

## Beet Pack by Can Sizes and Regions

The 1941 pack of canned beets, totaling 6,428,630 actual cases—the largest on record—was reported in last week's INFORMATION LETTER. Space limitations made it impossible to present the detail of this pack by style of pack, can sizes, and regions. This detail is presented in the following table, compiled by the Association's Division of Statistics. Detailed figures of the pack in miscellaneous size containers are not given, but totaled 50,864 cases.

Style of Pack	24/2	48/8 Z	48/1	24/2½	6/10	Total
EAST:	Cases	Cases	Cases	Cases	Cases	Cases
Whole.....	326,590	.....	16,784	59,850	89,313	567,107
Cut.....	206,809	.....	176	351,302	315,096	869,337
Sliced.....	289,273	7,000	7,453	34,814	229,737	1,089,476
Diced.....	84,876	24,374	16,150	67	39,198	181,351
Shoestring..	149,054	4,027	.....	3,278	20,941	259,396
Total East	1,056,602	35,301	40,563	449,311	691,885	2,981,948
MID-WEST:						
Whole.....	404,900	.....	2,387	155,327	92,508	675,068
Cut.....	280,583	.....	75	361,056	161,600	843,232
Sliced.....	286,779	801	2,771	104,354	160,694	594,485
Diced.....	125,276	12,816	4,368	4,244	29,038	180,037
Shoestring..	91,692	.....	162	66	7,081	109,608
Total Mid-West...	1,189,320	13,617	9,663	625,047	451,721	2,404,447
WEST:						
Whole.....	101,637	.....	1,012	1,758	12,373	116,473
Cut.....	2,508	.....	.....	17,277	3,823	27,608
Sliced.....	305,030	20,133	3,467	2,514	160,049	514,899
Diced.....	149,460	30,368	1,255	.....	53,768	246,181
Shoestring..	95,644	4,924	996	.....	23,310	135,968
Total West	654,338	55,425	6,730	21,549	283,332	1,042,298
Total U. S.	2,900,260	104,343	56,956	1,095,907	1,306,938	6,428,846

## Revision of Eastbound Freight Schedules Asked

At a hearing in Chicago, March 6, before the Standing Rate Committee of the Transcontinental Freight Bureau a number of food distribution organizations asked for a revision in freight tariff schedules to permit storage in transit for canned foods eastbound from the Pacific coast. Revised schedules, it is said, would relieve pressure on warehouse facilities at strategic seaboard points and would spread reserve stocks at interior points not vulnerable to enemy attack.



### Navy Invites Bids on Fish, Meat, and Pickles

The Bureau of Supplies and Accounts of the Navy Department will open bids March 31 on 150,000 pounds of canned flaked fish. Deliveries of specified quantities are to be made to the following naval supply depots: 30,000 pounds, Bayonne, N. J.; 60,000 pounds, Sewall's Point, Va.; 30,000 pounds, San Francisco, Calif.; and 30,000 pounds, Seattle, Wash.

Also on March 31 the Navy Department will open bids on 1,200,000 pounds of canned Vienna-style sausage for delivery in specified quantities as follows: 250,000 pounds, Bayonne, N. J.; 400,000 pounds, Sewall's Point, Va.; 200,000 pounds, Great Lakes, Ill.; 150,000 pounds, San Diego, Calif.; and 200,000 pounds, Seattle, Wash.

On April 7 the Navy Department will open bids on 850,000 pounds of sour pickles, with deliveries of specified quantities to the following depots: 60,000 pounds, South Boston, Mass.; 100,000 pounds, Bayonne, N. J.; 200,000 pounds, Sewall's Point, Va.; 55,000 pounds, Jacksonville, Fla.; 24,000 pounds, Chicago, Ill.; 200,000 pounds, Great Lakes, Ill.; 30,000 pounds, San Diego, Calif.; 36,000 pounds, San Francisco, Calif.; and 145,000 pounds, Seattle, Wash.

### GREEN PEAS FOR PROCESSING

#### USDA Reports 1942 Intended Acreage Is 26 Per Cent Above Last Year's Plantings

Reports received by the U. S. Department of Agriculture from processors of green peas indicate an intended increase above the 1941 planted acreage of 26 per cent in the plantings for 1942. Should these plans of late February be carried out in the various States, the acreage planted to green peas for canning and freezing will total 487,130 acres in 1942, compared with 385,460 acres planted in 1941.

Abandonment of planted acreage because of unfavorable growing conditions has averaged 6.6 per cent annually during the past 10 years. If this average loss is assumed for 1942, a planting of 487,130 acres would result in 454,980 acres for harvest this year compared with 361,740 acres harvested in 1941.

The 10-year (1931-40) average yield of green peas for processing is 1,502 pounds per acre. For the more recent 5-year (1936-40) period, yields have averaged 1,633 pounds per acre. The harvest of 454,980 acres in 1942, with yields in line with the 10-year period of 1,502 pounds, would give a production of about 341,700 tons for processing. If yields in line with the 5-year period of 1,633 pounds are obtained, a total of about 371,500 tons would be produced for canning and freezing in 1942. In 1941 the estimated yield of 1,915 pounds was the highest since 1927 when 1,937 pounds were obtained. The production last season totalled 346,360 tons.

The following table gives comparisons by States and regions of planted acreage in 1941, as well as the 10-year average, and indicated acreage intentions for 1942. It also states what percentage this intended acreage is of the planted acreage in 1941. The table was prepared by the Department of Agriculture, which states that it is not to be considered an estimate of the planted acreage for this season, inasmuch as acreage plans may be modified before plantings actually are made. Acreages shown are those that would result if

the late-February intentions to contract and plant green peas are carried out in 1942. The figures should be considered rather as a guide in making necessary adjustments in acreage plans before the planting operations actually begin. The table follows:

State and Group	Planted Acreage		Intended in 1942	
	10-yr. avg. (1931- 1940)	1941	As percentage of 1941	Indicated
	Acrea	Acrea	Per cent	Acrea
Maine.....	2,820	4,500	134	6,020
New York.....	34,100	42,000	112	47,000
Pennsylvania.....	4,400	8,600	110	9,500
North Atlantic.....	41,320	55,100	113.5	62,520
Ohio.....	4,780	6,200	147	9,100
Indiana.....	7,140	10,600	140	14,800
Illinois.....	17,290	17,300	134	23,200
Michigan.....	12,700	11,700	110	12,900
Wisconsin.....	108,270	129,100	124	160,000
Minnesota.....	21,000	28,400	137	38,900
Iowa.....	1,980	3,300	115	3,800
North Central.....	173,160	206,600	127.2	262,700
Delaware.....	2,790	2,800	107	3,000
Maryland.....	15,950	18,800	124	23,300
Virginia.....	3,980	3,400	126	4,300
South Atlantic.....	22,720	25,000	122.4	30,600
Colorado.....	3,670	4,450	128	5,700
Utah.....	11,240	13,700	119	16,300
Washington.....	10,540	34,500	136	47,000
Oregon.....	*14,070	30,900	130	40,200
California.....	2,960	1,850	237	4,390
Western.....	47,070	85,400	133.0	113,500
Other States <sup>1</sup> .....	10,080	13,360	133	17,720
U. S. Total.....	294,330	385,460	126.4	487,130

\*Short-time average.

<sup>1</sup>"Other States" include: Arkansas, Idaho, Kansas, Montana, Nebraska, New Jersey, Oklahoma, Tennessee, Texas, and Wyoming.

### Unsold Stocks of Canned Salmon

Unsold stocks of canned salmon on February 28, 1942, amounted to 130,111 actual cases, compared with 458,693 cases on February 28, 1941, and 295,499 cases on January 31, 1942, according to statistics compiled by the Association of Pacific Fisheries.

The figures for both years, shown in the table below, which gives details on unsold stocks, are based on reports from firms which packed 99 per cent of each year's pack:

Grades or varieties	Tails (1-lb.)	Flats (1-lb.)	Halves (8 doz.)	Total		
				Feb. 28, 1942	Jan. 31, 1942	Feb. 28, 1941
Chinooks or Kings:	Cases	Cases	Cases	Cases	Cases	Cases
Fancy Red.....	328	472	6,709	7,509	10,114	25,171
Standard.....	1,120	9,178	10,298	14,379	14,546	14,546
Pale.....	394	38	432	6,783	6,417	6,417
White.....	249	29	278	5,001	2,786	2,786
Puget Sound Sockeyes.....	963	4,441	10,006	16,310	20,949	27,487
Alaska Reds.....	1,693	1,396	195	3,284	11,479	102,646
Coho, Silvers, Medium						
Reds.....		49	2,358	2,407	23,230	68,179
Pinks.....		129	314	40,184	139,469	165,109
Chums.....			1,493	47,890	79,914	41,593
Bluebacks.....					400	505
Steelheads.....				1,519	3,781	4,254
Totals.....	89,765	7,674	32,672	130,111	295,499	458,693

<sup>a</sup> Does not include Coho tails.

### Fruit and Vegetable Market Competition

#### Carlot Shipments as Reported to the Agricultural Marketing Service by Common Carriers

Supplies of green peas on the fresh market for the week ending February 28, 1942 were smaller than for the corresponding week in 1941, but supplies of snap and lima beans, tomatoes and spinach were larger, according to the Agricultural Marketing Service, as evidenced by carlot shipments.

Supplies of citrus fruits also were larger for the week ending February 28, 1942, than for the same period a year ago.

The following table, compiled from statistics of the AMS, gives detailed comparisons of carlot shipments on certain dates of selected vegetables and fruits:

VEGETABLES	Week ending—			Season total to—	
	Feb. 28, 1941	Feb. 28, 1942	Feb. 21, 1942	Feb. 28, 1941	Feb. 28, 1942
Beans, snap and lima.....	19	27	34	2,280	2,200
Tomatoes.....	328	542	108	4,377	3,582
Green peas.....	239	158	155	853	938
Spinach.....	282	430	359	3,274	3,745
Others:					
Domestic, competing directly.	779	936	1,523	31,103	17,939
<b>Fruits</b>					
Citrus, domestic.....	3,300	4,505	4,288	70,332	67,143
Others, domestic.....	42	97	110	15,144	14,237

### Government Issues Nutritional Food Guide

Part of the wartime nutritional program of the Office of Defense Health and Welfare Services was the issuance March 2 of an official food guide, together with a symbolized slogan: "U. S. Needs Us Strong—Eat Nutritional Foods." Red, white and blue posters, carrying this slogan, and copies of the food guide are being produced for widespread use, and are available for reproduction by industry.

Text of the food guide is as follows:

Milk and milk products—at least a pint for everyone, more for children; or cheese or evaporated or dried milk.

Oranges, tomatoes, grapefruit or raw cabbage or salad greens—at least one of these.

Green or yellow vegetables—one big helping or more; some raw, some cooked.

Other vegetables, fruit, potatoes; other vegetables or fruits in season.

Bread and cereal—whole grain products or enriched white bread and flour.

Meat, poultry or fish; or dried beans, peas or nuts occasionally.

Eggs—at least three or four a week, cooked any way you choose or in "made" dishes.

Butter and other spreads, vitamin-rich fats, peanut butter, and similar spreads.

Then eat other foods you also like.

### Sale or Rental of Typewriters Banned

The War Production Board has issued a freeze order, which became effective March 6, banning the sale or rental of new or used typewriters.

### Firms Admitted to Membership in Association

The following firms have been admitted to membership in the Association since November 15, 1941:

Bercut-Richards Packing Co., Sacramento, Calif.  
 Chamberlain Canning Company, Anderson, Mo.  
 Charleston Canning Co., Charleston, Ark.  
 Claridge Food Corporation, Flushing, N. Y.  
 Craig Packing Company, Seattle, Wash.  
 Lee Dingee, Inc., Lindale, Texas.  
 Dungeness Crab, Inc., Seattle, Wash.  
 Florida Grapefruit Canning Co., Inc., Bradenton, Fla.  
 Friend Brothers, Inc., Melrose, Mass.  
 Georgia Canning Company, Wayside, Ga.  
 The Larsen Company, Green Bay, Wis.  
 Mifflin County Packing Co., Reedsville, Pa.  
 Mineral Point Cooperative Packers, Inc., Mineral Point, Wis.  
 H. M. Parks Company, Seattle, Wash.  
 Pepin Pickling Company, Winona, Minn.  
 Planada Packers, Planada, Calif.  
 Reinbeck Canning Co., Reinbeck, Iowa.  
 Russellville Canning Co., Russellville, Ark.  
 Skagit Valley Packing Corporation, Mt. Vernon, Wash.  
 Texas Food Products Company, Mission, Tex.  
 Walker Manufacturing Co., Los Angeles, Calif.  
 Washington Cannery Cooperative, Vancouver, Wash.

### Evaporated and Condensed Milk Statistics

The output of evaporated milk (case goods) in January showed about the usual seasonal gain over December, the U. S. Department of Agriculture reports. Estimated at 310,952,000 pounds, this production was 82 per cent larger than that of January last year, 138 per cent larger than the 5-year (1936-1940) January average, and the largest January production of record.

Production of condensed milk in January, however, was sharply less than that of January, 1941. The estimated output of 3,079,000 pounds was 56 per cent smaller than that of a year earlier and 17 per cent less than the 5-year (1936-40) January average.

Stocks of evaporated milk reported by manufacturers on February 1 totaled 252,532,000 pounds—33 per cent larger than the stocks of February 1 last year and 71 per cent larger than the 5-year (1936-40) February 1 average. The net reduction in manufacturers' stocks in January totaled 75,943,000 pounds, compared with a gain of 1,594,000 pounds in January last year, and a 5-year (1936-40) January average reduction of 33,240,000 pounds. The extremely large reduction this year was due to heavy shipments of Government purchases under the Lend-lease program.

Stocks of condensed milk (case goods) also showed a sharp drop in January. On February 1 they totaled 6,428,000 pounds—just about half of the stocks reported a month earlier. The slow-up in January production already noted caused manufacturers to draw heavily upon their reserves to fill current orders. This caused manufacturers' stocks on February 1 to drop to a level 18 per cent lower than those of a year earlier, but they continued to exceed the 5-year (1936-40) average by about 11 per cent.

## RAW PRODUCTS RESEARCH ACTIVITIES

### Studies of Corn, Beans, and Tomatoes Conducted by Mississippi Truck Crops Station

The Truck Crop Branch Experiment Station of the Mississippi Experiment Station was established by the 1938 legislature for the purpose of serving the commercial producers of vegetables. Projects of particular interest to canners carried on at this station include those relating to yields of tomatoes and beans, control of early blight on tomatoes, fertilizers for tomatoes, comparison of sweet corn hybrids and varieties, and resistance of U. S. No. 5 green bean to mosaic.

#### TOMATO VARIETIES

Louisiana Gulf State led in yield for the entire season with 12,411 pounds per acre of marketable fruit, followed by Gulf State Market with 11,864 pounds; John Baer, 11,370 pounds; Clark Special Early, 11,334 pounds; Bonny Best, 11,307 pounds; Asgrow Scarlet Dawn, 11,265 pounds, and Rutgers, 10,859 pounds. Asgrow Scarlet Dawn excelled in early yields.

#### TOMATO FERTILIZERS

Comparisons for two years indicate that most profitable yields may be obtained with applications of 500 to 1,000 pounds of 4-8-4 per acre plus 200 pounds nitrate of soda, applied after the first cluster of fruit has set. One year's results show beneficial results on the effect from dolomitic lime on the yield of tomatoes when applied with both 4-8-4 and 4-12-2.

#### SPRAYING FOR CONTROL OF TOMATO EARLY BLIGHT

During the 1940 season experimental plots on outlying farms were used in studying the effectiveness of several fungicides as sprays for the control of early blight of tomatoes and their effect on the yield. Materials used were basic copper sulphate (basicop) with particle sizes of 2 and 8 mu., cuprocide 54Y, basic copper arsenate, copper hydro 40, copper compound A, and Bordeaux mixture.

Best control of early blight was obtained with cuprocide 54Y, Bordeaux mixture, and basic copper sulphate with 2 mu. particle size. The better control obtained with the 2 mu. basicop was correlated with better adhesive qualities of the former material.

Basic copper arsenate appeared to offer some promise in reducing tomato fruit worm injury. Such injury in sprayed plots was reduced from  $\frac{1}{2}$  to  $\frac{1}{4}$  that of the untreated plots.

The influence of materials tested for early blight control was not marked, due probably to the light infection of early blight during the 1940 season previous to heavy rains in early June when spraying was discontinued. The highest yield of U. S. No. 1, and No. 2 (13,543 pounds per acre), was obtained with basic copper sulphate (2 mu.). The basic copper arsenate test yielded 13,474 pounds, while the untreated plots yielded 12,313 pounds per acre. Plots sprayed with Bordeaux mixture yielded only 8,821 pounds per acre, attributable to the injurious effects as reported by numerous investigators.

#### SWEET CORN HYBRIDS AND VARIETIES

Sweet corn hybrids have outyielded the open-pollinated varieties. Leading yellow hybrids are Aristogold Bantam

No. 1; Aristogold Bantam No. 2E, Aristogold Bantam No. 3, Ioana Hybrid, and Golden Cross Bantam. Silver Cross No. 3 was highest in yield of the white hybrids.

#### BEAN VARIETIES

In the 1939 trials Asgrow Black Valentine led the other round-podded shipping varieties with a yield of 151.2 bushels per acre. Of the flat podded shipping varieties Tennessee Green Pod produced the best yield—226.9 bushels per acre. Of the Refugee varieties, U. S. No. 1 stood in the lead with a yield of 205.3 bushels per acre.

#### BEAN MOSAIC

In the experiment station trials, the varieties Bountiful, Black Valentine, and Tennessee Green Pod, which are the chief varieties produced in this area, were all so badly affected that few marketable pods were harvested, while mosaic-resistant U. S. No. 5 produced a good crop.

Reference: Fifty-third Annual Report of the Mississippi Experiment Station, State College.

#### Lima Bean Variety and Planting Date Test

The results of the lima bean variety and time of planting test conducted in 1941 by the Maryland Agricultural Experiment Station on plots located at Ridgely, Md., recently were published. Information is given on the yields for each of four planting dates in pounds of shelled beans per acre, per cent of beans in each sieve size, per cent white beans, and number of days from planting to harvest. The varieties tested included Thorogreen, Henderson Bush from Associated and from Rogers, Early Baby Potato, Baby Potato, Baby Fordhook, Maryland Thick-Seeded, and five Illinois strains. A table is included in the report showing average of 17 scores for color, texture, toughness of skin and flavor, of the varieties and strains included in the test.

Reference: Lima Bean Variety and Time of Planting Test—1941, Ridgely, Md. Maryland Agricultural Experiment Station, College Park. Copies available to members on request to the Raw Products Bureau.

#### Peach Varieties in Arkansas

To aid the commercial grower in determining which varieties might satisfy the desires of the consumer and which would best meet competition from other regions, the University of Arkansas College of Agriculture established test plantings of peach varieties at its main and branch experiment stations beginning in 1922. A recent publication from the station evaluates the varieties tested from the standpoint of productivity and regularity of bearing as well as resistance to unfavorable weather conditions. Varieties recommended for both home and commercial orchards are Belle, Carman, Early Elberta, Elberta, Fair's Beauty, Golden Jubilee, Ideal, Rochester, Slappey, and South Haven.

Reference: Bul. 414, "Peach Varieties in Arkansas," Arkansas Agricultural Experiment Station, Fayetteville.

#### Diseases of California Fruits and Nuts

Plant diseases may be divided into two types, parasitic and nonparasitic. In the former group are included fungus, bacterial, insect and nematode attacks. Nonparasitic dis-



eases are mainly the effects of soil and climatic conditions such as moisture, temperature, and chemical substances. A recent publication gives a brief, popular account of the nature of and control methods for the important diseases affecting a number of fruits and nuts grown in California. Among the crops included are apricots, citrus fruits, berries, peaches, pears, and plums.

Reference: "Diseases of Fruits and Nuts", Circular 120, California Agricultural Experiment Station, Berkeley.

#### Diseases of Raspberries and Blackberries

Most of the diseases of raspberries and blackberries are caused by fungi. Certain other diseases, such as mosaic and leaf curl, though they are of an infectious nature, are not known to be caused by fungi or other organisms. The more important fungus and virus diseases of raspberries and blackberries of the United States, including mosaic and related disease, anthracnose, rust, mildew and leafspot, are described and illustrated in a recent publication. Information is included on the usual symptoms by which each disease may be recognized, the means of dissemination, and general control measures.

Reference: "Diseases of Raspberries and Blackberries", Farmers Bulletin 1488, U. S. Department of Agriculture.

#### Tomato Diseases in South Texas

A plant disease survey in certain counties in southern and southwestern Texas showed that the disease causing most concern was one given the name of "rosette". This name has been suggested for the disease since shortening of the internodes and bunching of the foliage are the most conspicuous symptoms. The cause of the disease is not known. It was observed in every county and in every field inspected and in some cases was causing serious losses. Severely affected plants bore few or no marketable fruits, while those less severely affected bore some good fruits.

In certain fields in Webb County, fusarium wilt caused serious losses and portions of several large fields in the same county were suffering severely from the root-knot nematode.

Reference: "Observations on Some Diseases of Tomatoes and Other Vegetables in South Texas," Plant Disease Reporter, Feb. 1, 1942. U. S. Department of Agriculture.

#### Peach Variety Tests Conducted in Colorado

Peach variety tests conducted by the Colorado Agricultural Experiment Station at Austin indicate that July Elberta survived the freeze of blossom time and set more fruit than the other varieties in the test. The fruit also withstood a heavy wind and hung well to the tree. Candoka variety is sensitive to soil types and fails to form many fruit buds. The Golden Jubilee produces pointed fruit which ripens at the point before it is ready to pick. The number of trees affected by severe strain of peach mosaic has been reduced from 28,934 trees in 1935 to approximately 350 in 1940.

Reference: Fifty-fourth Annual Report, Colorado Agricultural Experiment Station, Fort Collins.

#### Savings Schedule for Defense Bond Purchases

A table showing just how each individual income earner can do his part in attaining the Treasury Department's goal in sales of defense savings bonds, was presented and explained by Secretary Morgenthau in a recent speech in Baltimore. Treasury officials believe that the information contained in the table should assist employers who have installed payroll defense savings plans for their employees. Comparison with the table will demonstrate whether the respective plan is operating successfully.

Secretary Morgenthau explained that the table suggests how income-earners may participate in the war effort through a systematic purchase of defense bonds. He explained that persons without dependents would be able to set aside more than the figures suggested in the table; persons with several dependents, or with other heavy family obligations, may be unable to save at the suggested rate. Consequently, the following table is intended only as a yard-stick for the average income-earner.

If your weekly earnings are	And you save each week	In one year you will save
\$ 5 to \$10.....	\$ 0.25.....	\$ 13.00
10 to 15.....	.50.....	26.00
15 to 20.....	.75.....	39.00
20 to 30.....	1.25.....	65.00
30 to 40.....	2.00.....	104.00
40 to 50.....	4.00.....	208.00
50 to 60.....	6.00.....	312.00
60 to 70.....	8.00.....	416.00
70 to 80.....	10.00.....	520.00
80 to 100.....	12.00.....	624.00
100 to 150.....	20.00.....	1,040.00
150 to 200.....	35.00.....	1,820.00

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